THE CITY OF EDMONTON

FINANCIAL STATEMENTS AND REPORTS
1984

85-5205/

PUBLICATION NOTES

1. **The Financial Synopsis,** preceding the Table of Contents, has been printed as a detachable pullout. It is perforated along the inside edge for convenient removal.
2. In the **Report From the City Manager,** on page eight, in the first sentence of the report the date should read December 31, 1984.
3. On page 101, under the heading **Edmonton Public Library Board,** the Board consists of nine members, only one of whom is an Alderman.

THE CITY OF EDMONTON

FINANCIAL STATEMENTS AND REPORTS
1984

With the Compliments of

J.K. McAully
General Manager
Finance Department

AWARD FOR EXCELLENCE IN FINANCIAL MANAGEMENT

In 1984, the Government Finance Officers Association (GFOA), of the United States and Canada, presented the City of Edmonton with its "Award for Excellence in Financial Management". The City received the Award for its Debt Management Fiscal Policy, a policy which will reduce the municipal debt without adversely affecting tax rates.

The award is the highest form of recognition by the Government Finance Officers Association in the area of financial management.

EXEMPLARY SYSTEMS IN GOVERNMENT AWARD

The City of Edmonton received the Urban and Regional Information Systems Association (URISA) "Exemplary Systems in Government Award" for its Manpower Payroll Information System.

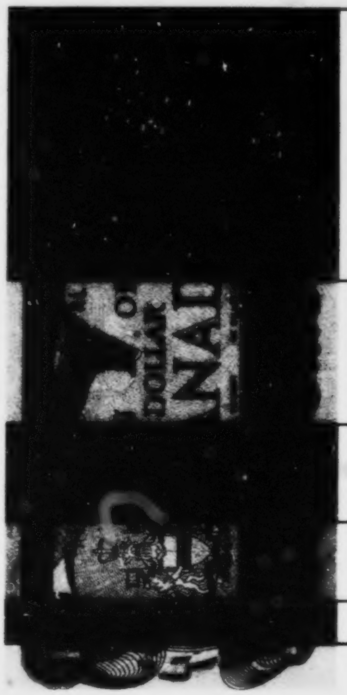
The achievement is presented by URISA for "the effective application of computer technology measured in terms of improved government services and increased benefits to citizens." The Manpower Payroll Information System provides indirect benefits to citizens by streamlining governmental administration.

The award was presented in 1983 after publication of that year's Financial Statements.

COMBINED REVENUES AND EXPENDITURES SOURCE AND DISTRIBUTION 1984

SOURCE OF INCOME DOLLAR

(in thousands of dollars)



$ 471,817	(39.3%)	Utilities
254,823	(21.2%)	Taxation
165,901	(13.8%)	Education Taxation and Grants
141,735	(11.8%)	Departmental Revenue
77,698	(6.5%)	Government Grants
35,340	(2.9%)	Bus and Light Rail Transit
29,688	(2.5%)	Land Operations
8,935	(0.7%)	Authorities
15,146	(1.3%)	Other
$1,201,083		

DISTRIBUTION OF INCOME DOLLAR

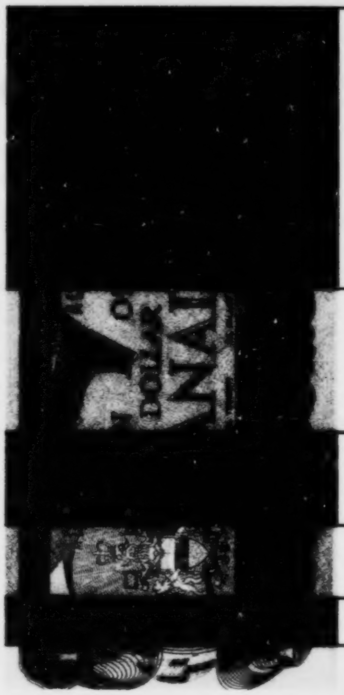
(in thousands of dollars)

$ 429,755	(35.8%)	Utilities
165,901	(13.8%)	Education
127,612	(10.6%)	Protective Services
94,946	(7.9%)	Debt Charges
77,868	(6.5%)	Bus and Light Rail Transit
70,146	(5.8%)	Excess of Revenues over Expenditures transferred to Surplus
61,287	(5.1%)	General Government and other
49,480	(4.1%)	Parks and Recreation
47,543	(4.0%)	Roadway Services
18,224	(1.5%)	Land Operations
17,058	(1.4%)	Authorities
16,732	(1.4%)	Social Services
14,286	(1.2%)	Garbage Collection and Storm Sewer
10,245	(0.9%)	Library
$1,201,083		

COMBINED REVENUES AND EXPENDITURES SOURCE AND DISTRIBUTION 1985 BUDGET ESTIMATES

SOURCE OF INCOME DOLLAR

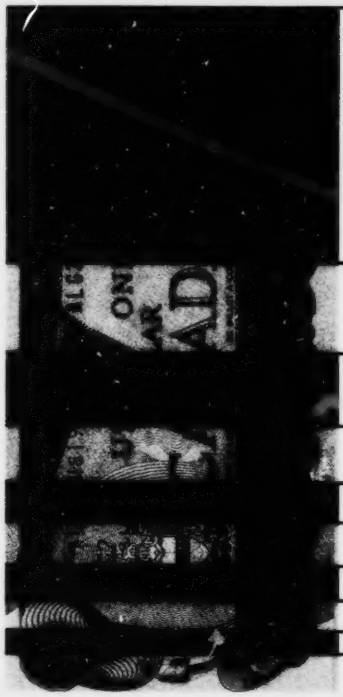
(in thousands of dollars)



$ 522,038	(40.7%)	Utilities
267,616	(20.8%)	Taxation
169,643	(13.2%)	Education Taxation and Grants
155,330	(12.1%)	Departmental Revenue
74,339	(5.8%)	Government Grants
35,631	(2.8%)	Bus and Light Rail Transit
31,800	(2.5%)	Land Operations
13,980	(1.1%)	Authorities
13,051	(1.0%)	Other
$1,283,428		

DISTRIBUTION OF INCOME DOLLAR

(in thousands of dollars)



$ 489,079	(38.1%)	Utilities
169,643	(13.2%)	Education
124,418	(9.7%)	Protective Services
103,804	(8.1%)	Debt Charges
86,927	(6.8%)	General Government and other
74,959	(5.8%)	Bus and Light Rail Transit
59,132	(4.6%)	Excess of Revenues over Expenditures transferred to Surplus
51,324	(4.0%)	Roadway Services
48,379	(3.7%)	Parks and Recreation
17,666	(1.4%)	Authorities
17,072	(1.4%)	Social Services
16,575	(1.3%)	Land Operations
14,102	(1.1%)	Garbage Collection and Storm Sewer
10,348	(0.8%)	Library
$1,283,428		

THE CITY OF EDMONTON

FINANCIAL SYNOPSIS

1984-1985

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1984 OFFICIALS

City Manager	D.A. Lychak (Acting)
Finance	J.K. McAully
Personnel	J.A. Pare
Computing Resources	W.R. Ellwood
Corporate Communications	P.S. Brown
Corporate Studies	C. Heffring
Action Centre	B. Loree
Assistant City Manager of Utilities and Finance	Vacant
Assessors	S.M. Scott
Power	E.F. Kyte
Telephones	G.K. Foster
Water and Sanitation	E. Podivinsky
Real Estate and Supply Services	G. Weese
Assistant City Manager of Public Affairs	D.A. Lychak
Planning	J.I. Fleming
Parks and Recreation	D. Ausman
Social Services	J.A. Lackey
Transportation	R. David
Fire	R.E. Walker
Police	R.F. Lunney
City Clerk	C.J. McGonigle
City Solicitor	A. Konye
Auditor General	E.J. Powell
Boards and Authorities:	
Edmonton and Rural Auxiliary Hospital Board	
Chairman	L. McDannold
Executive Director	D.C. McIntyre
Edmonton Northlands	
President	G.W. Lavold
General Manager	G.S. Hughes
Royal Alexandra Hospital Board	
Chairman	M. MacDonald
President	E.L. Casey

Edmonton Local Board of Health	
Chairman	M.A. Binder
Medical Officer	Dr. J.M. Howell
Edmonton Housing Authority	
Chairman	D. O'Neil
General Manager	K. Fletcher
Edmonton Public Library Board	
Chairman	Dr. W.D. Wilde
Director	V. Richards
Edmonton Ambulance Authority	
Chairman	E.H. Leger
General Manager	W.J. Coghill
Edmonton Convention Centre Authority	
Chairman	B. Olsen
General Manager	K. Kutesch
Edmonton Convention and Tourism Authority	
Chairman	G. MacDonald
General Manager	E.D. James
Edmonton Economic Development Authority	
Chairman	D.W. Maloney
General Manager	A.G. Bleiken
Edmonton Research and Development Park Authority	
Chairman	Dr. H.E. Gunning
General Manager	G.A. Mitchell
Non-Profit Housing Corporation	
President	J. Reimer
Managing Director	D.A. McCullagh
Police Commission	
Chairman	M. Lobay
Chief of Police	R.F. Lunney

THE CITY OF EDMONTON

ORGANIZATIONAL CHART OF THE CITY ADMINISTRATION

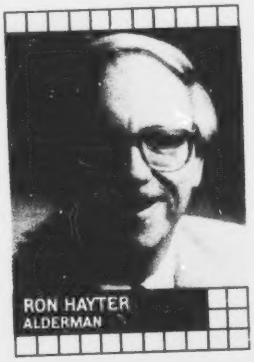
THE CITY OF EDMONTON COUNCIL

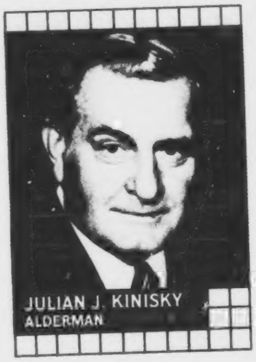
LAURENCE DECORE
MAYOR

OLIVIA BUTTI
ALDERMAN

TERRY CAVANAGH
ALDERMAN

E.W. (ED) EWASIUK
ALDERMAN


RON HAYTER
ALDERMAN


JULIAN J. KINISKY
ALDERMAN

KEN B. KOZAK
ALDERMAN

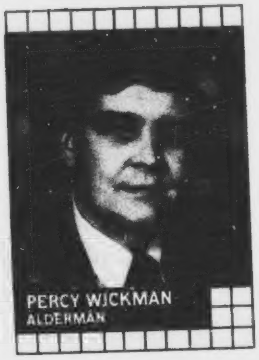
E.H. (ED) LEGER
ALDERMAN

JAN REIMER
ALDERMAN

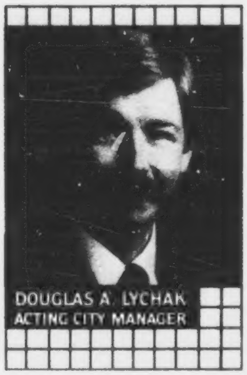
G. LYALL ROPER
ALDERMAN

LILLIAN STAROSZIK
ALDERMAN

LANCE D. WHITE
ALDERMAN


PERCY WICKMAN
ALDERMAN

REPORT FROM THE CITY MANAGER


DOUGLAS A. LYCHAK
ACTING CITY MANAGER

Your Worship the Mayor and Members of the Council of The City of Edmonton:

It is a pleasure to present the audited Financial Statements and Reports of the Corporation of the City of Edmonton for the year ending December 31, 1985.

Civic staff responded well to the challenges of 1984. They shared the burden of a slow economy as the City dealt with the necessity for budget restraint. Civic unions agreed to another year without a wage increase. Moderate staff reduction measures were instituted to meet budget requirements, yet service was maintained at a high level.

New initiatives implemented in 1984 in response to City Council direction included: a new budgeting procedure to develop next year's budget and, a debt management policy to enhance the City debt position. In its first full year of operation, it has won international recognition from the Government Finance Officers Association.

In 1984 Edmonton welcomed His Holiness, Pope John Paul II, and hosted the Grey Cup, Canada's national football championship. The success of these events was only possible with the participation of thousands of volunteers from the community. Volunteerism is a trademark of Edmontonians and the success of the events is a source of pride for Canada's northern-most major city.

Economic growth is predicted for the coming year for Edmonton and northern Alberta with encouraging signs in the energy sector. The City of Edmonton will, as in the past, meet the challenges of providing efficient municipal services effectively at a moderate cost.

Respectfully submitted,

D.A. Lychak

Acting City Manager

REPORT FROM THE GENERAL MANAGER OF FINANCE AND CITY TREASURER

JACK K. McAULLY
GENERAL MANAGER
OF FINANCE AND
CITY TREASURER

Your Worship the Mayor and Members of the Council of The City of Edmonton:

INTRODUCTION:

It is my pleasure to report that The City of Edmonton has successfully responded to the fiscal challenges of 1984 and met budget objectives in both municipal and utility operations. The following provides a synopsis of economic activity and accomplishments in 1984.

ECONOMY:

The provincial economy showed little sign of recovery in 1984. Although there was some increased activity in the energy sector, the impact was insufficient to stimulate other sectors of the economy. This was reflected in the Edmonton economy by a low level of construction activity, depressed real estate market and increased unemployment.

The pending federal-provincial energy agreement since ratified in 1985 has created a positive outlook for the future. The energy sector is a major force behind the Alberta and local economy and there is optimism that this agreement will create the economic environment to increase activity in all sectors.

FISCAL MANAGEMENT:

Fiscal 1984 was a year of continued fiscal restraint characterized by a negotiated freeze on salaries and wages, manpower reductions through attrition, deferral and elimination of capital projects and the need for productivity increases and tight budgetary control. As a result of these measures, the City was successful in preserving levels of service while maintaining residential property taxes at levels below most other major North American cities.

As a result of effective financial management and strong budgetary performance throughout the economic downturn, the City's "AA" credit rating from Standard & Poor's Corporation has been reaffirmed. This recognizes its strong capability to service long-term debt and will enable the City to benefit from one of the lowest possible borrowing rates in financing future required capital projects.

The combined Financial Statements at December 31, 1984 present a summary of the City's total operations. As reflected in these statements, utility and general government operations both meet 1984 budget objectives reporting surpluses of $42 million and $1.7 million respectively.

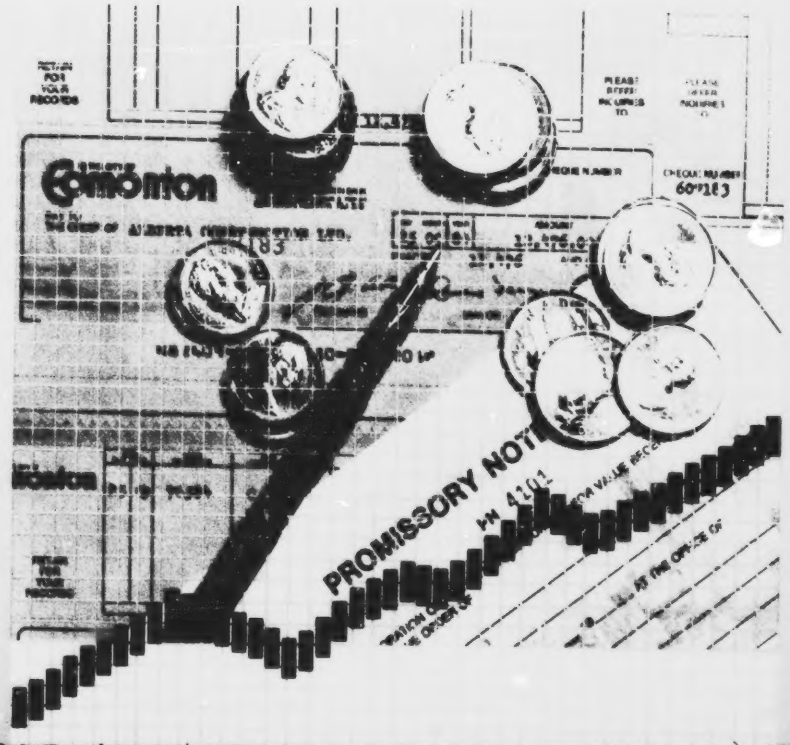
In conclusion, The City of Edmonton continues to maintain a sound financial position and efficiently provide services to citizens.

Respectfully submitted,

J.K. McAully
General Manager of Finance
and City Treasurer

THE CITY OF EDMONTON

COMBINED FINANCIAL STATEMENTS


Edmonton
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AUDITORS' REPORT

To His Worship the Mayor and Members of Council of
The City of Edmonton

We have examined the combined balance sheets of The City of Edmonton as at December 31, 1984 and 1983 and the statements of combined revenues and expenditures, reserves for future expenditures, surplus, and combined changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these combined financial statements present fairly the financial position of The City of Edmonton as at December 31, 1984 and 1983 and the results of its operations and the changes in its financial position for the years then ended in accordance with the accounting principles set out in the Summary of Significant Accounting Policies applied, after giving retroactive effect to the change in the method of accounting for the Edmonton Convention Centre as explained in Note 8, on a consistent basis.

Edmonton, Canada
April 26, 1985

Peat, Marwick, Mitchell & Co.
Chartered Accountants

COMBINED BALANCE SHEETS

December 31, 1984 and 1983
(in thousands of dollars)

	1984	1983 Restated
ASSETS		
Current Assets		
Short term investments (net) — at cost (Note 1)	**$ 95,987**	$ 77,119
Investments held in the Reserve Fund — at market (Note 2)	**33,057**	27,403
Taxes receivable less allowance for uncollectible taxes	**49,685**	56,703
Due from other governments	**14,885**	9,094
Accounts receivable less allowance for doubtful accounts	**72,857**	80,561
Inventory of materials and supplies — at average cost	**23,798**	24,349
Deferred charges	**29,878**	28,755
	320,147	303,984
Land inventory held for resale — at cost	**143,613**	129,152
Land held for future municipal purposes	**78,409**	99,900
Deferred foreign exchange costs (Note 4)	**7,706**	8,428
Local improvement costs recoverable from property owners	**184,123**	186,119
Sinking Fund investments held for retirement of debentures	**41,310**	30,515
Property, plant and equipment (Note 3)	**2,416,172**	2,210,783
	$3,191,480	$2,968,881

See accompanying notes to financial statements.

COMBINED BALANCE SHEETS

December 31, 1984 and 1983
(in thousands of dollars)

	1984	1983 Restated
LIABILITIES		
Current Liabilities		
Bank overdraft	$ 25,193	$ 22,090
Accounts payable and accruals	112,439	146,341
Accrued interest on long term debt	67,274	60,406
Deferred revenue	13,107	13,277
Utility deposits	5,401	5,100
Advances for construction	25,978	24,436
	249,392	271,650
Long term debt (Note 4)	1,929,634	1,741,948
Reserves for future expenditures	35,789	43,231
SURPLUS		
Contributed capital surplus	543,940	520,512
Utilities retained earnings	187,116	159,400
Mill Woods land development enterprise retained earnings	107,598	104,463
Equipment Pool retained earnings	38,667	32,908
Land Fund surplus	44,312	50,598
Sinking Fund surplus	20,498	16,871
Self Insurance Fund surplus	8,920	5,155
General surplus	21,995	20,000
Current revenue surplus (Note 5)	4,334	2,609
Research and Development Park Authority deficit	(715)	(464)
	976,665	912,052
Commitments and contingencies (Notes 6 and 7)		
	$3,191,480	$2,968,881

See accompanying notes to financial statements.

STATEMENTS OF COMBINED REVENUES AND EXPENDITURES

For the Years Ended December 31, 1984 and 1983
(in thousands of dollars)

	1984	1983 Restated
REVENUES		
General Government (Schedule)	**$ 675,497**	$ 672,868
Utilities	**510,374**	486,958
Less: Franchise Tax to General Government revenue	**38,557**	36,367
	471,817	450,591
Mill Woods land development enterprise	**21,303**	12,191
Land Fund	**8,385**	51,575
Edmonton Ambulance Authority	**4,176**	3,950
Edmonton Convention Centre Authority	**4,723**	2,058
Research and Development Park Authority	**36**	
Equipment Pool net inter-fund transactions	**5,759**	5,654
Self Insurance net inter-fund transactions	**3,765**	1,597
Reserve Fund earnings	**2,085**	1,380
Excess Sinking Fund earnings	**3,627**	2,690
	53,859	81,095
	$1,201,173	$1,204,554

STATEMENTS OF COMBINED REVENUES AND EXPENDITURES

For the Years Ended December 31, 1984 and 1983
(in thousands of dollars)

	1984	1983 (Restated)
EXPENDITURES		
General Government (Schedule)	$ 673.772	$ 671,105
Utilities	468.312	459,066
Less: Franchise Tax to General Government	38.557	36,367
	429.755	422,699
Mill Woods land development enterprise	3.553	2,183
Land Fund	14.671	40,581
Edmonton Ambulance Authority	5.469	5,417
Less: Transfer of deficit to General Government	1.293	1,467
	4.176	3,950
Edmonton Convention Centre operating expenditures	6.414	3,400
Edmonton Convention Centre debt charges	4.508	3,260
Less: Transfer from Edmonton Convention Centre Reserve	6.199	4,602
	4.723	2,058
Research and Development Park Authority	287	231
EXCESS OF REVENUE OVER EXPENDITURES TRANSFERRED TO SURPLUS		
Utilities	42.062	27,892
Mill Woods land development enterprise	17.750	10,008
Equipment Pool	5.759	5,654
Land Fund (deficit)	(6.286)	10,994
Excess Sinking Fund earnings	3.627	2,690
Self Insurance Fund	3.765	1,597
General surplus	2.085	1,380
Current revenue surplus	1.725	1,763
Research and Development Park Authority (deficit)	(251)	(231)
	70.236	61,747
	$1.201.173	$1,204,554

See accompanying notes to financial statements.

STATEMENTS OF RESERVES FOR FUTURE EXPENDITURES

For the Years Ended December 31, 1984 and 1983
(in thousands of dollars)

	Municipal Housing Incentive Grants	Non-Profit Housing	Redevelopment Levy	Capital Expenditure Tax Levy	Provision For Assessment Appeals	Snow Removal
Balance — January 1	$14,038	$2,500	$1,662	$2,100	$2,300	$1,500
Source of funds:						
Current year tax levy						
Donations for specific purposes			229			
Depreciation charged to operations						
Surplus on operations						
Sale of assets						
Transfer from other Reserves					349	
Transfer from surplus						
Transfer from general revenues	818			9,000		
Interest earned						
Total Source of Funds	818		229	9,000	349	
Use of funds:						
Capital expenditures						
Donations for specific purposes applied	2,485		225			
Transfer to operations	4,000					
Purchase of equipment						
Transfer to other reserves						
Transfer to finance capital expenditures				9,000		
Total Use of Funds	6,485		225	9,000		
Balance — December 31	$ 8,371	$2,500	$1,666	$2,100	$2,649	$1,500

See accompanying notes to financial statements.

Equipment	School Campus Sites	Heritage Festival Park and Edmonton Museum	Capital City Recreation Park	Parks and Recreation General	Other Reserves	Sub Total General Government	Convention Centre Reserve	Reserve Fund of the City of Edmonton	Edmonton Power Reserve	Total	
										1984	1983 Restated
$1,872	$ 963	$2,191	$	$4,483	$4,028	$37,637	$2,859	$2,312	$ 423	$43,231	$37,325
							4,628			4,628	4,377
107	39	251	2,199	3,161	629	6,615		993	199	7,807	8,747
74						74				74	53
					17	17		378		395	496
					18	18		242		260	654
						349				349	95
											2,527
			2,199			12,017				12,017	14,904
			107		3	110	178	249		537	864
181	39	251	4,505	3,161	667	19,200	4,806	1,862	199	26,067	32,717
					169	169	784	285		1,238	1,553
4	428	4	854	4,009	1,448	9,457	34	2,223		11,714	7,319
			970			4,970	6,199			11,169	8,676
39						39				39	168
					349	349				349	95
						9,000				9,000	9,000
43	428	4	1,824	4,009	1,966	23,984	7,017	2,508		33,509	26,811
$2,010	$ 574	$2,438	$2,681	$3,635	$2,729	$32,853	$ 648	$1,666	$622	$35,789	$43,231

STATEMENTS OF SURPLUS

For the Years Ended December 31, 1984 and 1983
(in thousands of dollars)

	Contributed Capital	Utilities
Balance — January 1		
As previously reported	$559,741	$159,400
Prior period adjustment (Note 8)	(39,229)	
As restated	520,512	159,400
Add: Excess (deficiency) of revenue over expenditures		42,062
Customer and government contributions	34,560	
Deduct: Transfers to general revenue		
Amortization of contributions	11,132	
Dividend payments to general government revenue		14,346
	$543,940	$187,116

Mill Woods Land Development Enterprise	Equipment Pool	Land Fund	Sinking Fund	Self Insurance Fund	General	Current Revenue	Research and Development Park Authority	TOTAL 1984	TOTAL 1983 Restated
$104,463	$ 32,908	$ 50,598	$ 16,871	$ 5,155	$ 20,000	$ 2,609	$ (464)	$951,281	$857,351
								(39,229)	(21,707)
104,463	32,908	50,598	16,871	5,155	20,000	2,609	(464)	912,052	835,644
17,750	5,759	(6,286)	3,627	3,765	2,085	1,725	(251)	70,236	61,747
								34,560	48,828
14,615								14,615	12,732
					90			11,222	8,429
								14,346	13,006
$107,598	$ 38,667	$ 44,312	$ 20,498	$ 8,920	$ 21,995	$ 4,334	$ (715)	$976,665	$912,052

See accompanying notes to financial statements.

COMBINED STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the Years Ended December 31, 1984 and 1983
(in thousands of dollars)

	1984	1983 Restated
Funds provided from:		
Operations:		
Current revenue surplus	$ 1,725	$ 1,763
Less: transfer from previous year's surplus		(5,250)
transfer from reserves for future expenditures	(11,169)	(8,676)
Add: transfer to reserves	3,017	5,904
	(6,427)	(6,259)
Net income retained in Utilities	27,716	14,886
Net income retained in Mill Woods	3,135	2,526
General surplus	1,995	1,490
Excess Sinking Fund earnings	3,627	2,690
Surplus (deficit) on Land Fund	(6,286)	10,994
Net income retained in Equipment Pool	5,759	5,654
Net loss retained in Research and Development Park Authority	(251)	(231)
Surplus on Self Insurance	3,765	1,597
Depreciation net of amortization of contributions	98,950	82,597
	131,983	115,944
Convention Centre business tax levy	4,628	4,377
Capital expenditures levy	9,000	9,000
Debenture borrowings	248,470	282,322
Contributions for capital construction	7,417	6,510
Disposal of equipment	4,148	5,842
Government grants and reserves	54,668	79,250
	460,314	503,245
Funds applied to:		
Capital expenditures including local improvements	346,010	420,424
Repayment of debentures including Sinking Fund payments and earnings	74,715	72,709
Convention Centre capital expenditures	1,168	13,862
Increase in working capital	38,421	(3,750)
	$460,314	$503,245

See accompanying notes to financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

December 31, 1984 and 1983

A. Financial Statement Presentation

The Combined Financial Statements include the assets and liabilities, revenues and expenditures, reserves and surplus of those City funds and governmental functions or entities which have been determined to comprise a part of the aggregate City operations. This combination has been based on the responsibility and control exercised by the City over these entities. The General Government operations, Mill Woods land development enterprise, the Land Fund, the Equipment Pool, the Self Insurance Fund, the Edmonton Utilities, the Edmonton Convention Centre Authority, the Edmonton Research and Development Park Authority, the Edmonton Ambulance Authority, the Sinking Fund of The City of Edmonton, and the Reserves Fund of The City of Edmonton are included in this combination.

The Edmonton Convention and Tourism Authority and the Edmonton Economic Development Authority were created by Acts of the Provincial Legislature, and are included in the Combined Financial Statements to the extent of the provision of funds for their operations as approved by City Council.

The Edmonton Public Library Board, the Local Board of Health and the Royal Alexandra Hospitals are administered by separate boards. The City of Edmonton owns certain of their fixed assets and as such these assets are included in the Combined Financial Statements to the extent that related debenture borrowings are outstanding.

School administration is completely independent from the City Council and subject to control by the Provincial Government pursuant to the provisions of the School Act. The only relationship between the School Boards and The City of Edmonton is that the City is obligated to provide funds raised by taxes deemed necessary by these two Boards. Thus, the Edmonton Public School District No. 7 and the Edmonton R.C. Separate School District No. 7 are not included in the Combined Financial Statements.

Edmonton Northlands is a non-profit company incorporated under the Laws of Alberta. The City of Edmonton owns the land on which all the Company's properties are situated. The assets and operations of Edmonton Northlands are not included in the Combined Financial Statements.

The City of Edmonton Non-Profit Housing Corporation was incorporated as a limited company under the Companies Act of Alberta. The corporation is not included in the Combined Financial Statements and accordingly $49,034,000 of mortgages which are secured by $47,115,000 of assets of the corporation are not reflected in the Combined Balance Sheets.

The Pension Fund of The City of Edmonton is comprised of the assets and liabilities under the control of the Trustees of The City of Edmonton Pension Fund. The accounts of the Pension Fund are not included in the Combined Financial Statements.

B. General Accounting Principles and Practices

The City of Edmonton organizes and operates its accounting system to segregate accounts and related transactions into functions which relate to the purpose for carrying on the specific activities. These functions are separated as follows:

(i) General Government Operations, to account for the acquisition and financing of capital facilities, other assets, and the various sources of revenues and expenditures, the payment of interest and principal on long-term debt, in accordance with the usual accounting principles and practices for the operation of conventional municipal services.

(ii) In addition to the regular municipal operations, the City organizes and operates as accounting entities, the following Edmonton Utilities:

Edmonton Power
'edmonton telephones'
Edmonton Water
Edmonton Sanitary Sewage System
Edmonton Municipal Airport

The administration endeavours to ensure that the users pay the full cost of the utility facilities and services, including an adequate return on capital invested. In accordance with the City's fiscal policy each utility pays to the City's General Municipal revenues an annual revenue tax and a dividend based on each Utility's opening equity.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

(iii) The Mill Woods land development project, owned and operated by the City, is considered a municipal enterprise for accounting purposes. The financing concept for this undertaking is that of a self-liquidating nature, with the proceeds from the sale of land being sufficient to offset land acquisition and servicing costs and to provide funds in accordance with the City Council approved Debt Management Policy.

(iv) The Land Fund includes the land inventory held for resale, and land held for future municipal purposes.

(v) The Equipment Pool includes the vehicle and equipment operations for The City of Edmonton. Revenues are derived from charges made to user departments and the excess of revenues over expenditures is retained for the replacement of vehicles and equipment.

(vi) The Self Insurance Fund encompasses the City's insurance program. Revenues are comprised of premiums charged to all City departments for the insurance of assets, and against any potential insurable losses or liabilities which may be incurred. A reserve balance is maintained to ensure the coverage of outstanding liability claims.

(vii) The City also maintains the Special Funds, each to account for the proceeds of specific revenue sources or to finance specified activities. The Sinking Fund maintains funds required to meet the City's redemption requirements of future years and is included in the Combined Financial Statements. The Reserves Fund is comprised of funds established to finance various specified activities and is included in the Combined Financial Statements. The Pension Fund maintains the net assets of the pension plans under the control of the Trustees of The City of Edmonton Pension Fund, and is not included in the Combined Financial Statements.

(viii) A number of activities of the City are carried out through authorities created by Acts of the Provincial Legislature.

The Edmonton Research and Development Park Authority for the purpose of operating research and development parks in the City;

The Edmonton Ambulance Authority for the purpose of developing, maintaining, managing and operating an ambulance service in the City;

The Edmonton Convention Centre Authority for the purpose of developing, maintaining, managing and operating a Trade and Convention Centre in the City;

The Edmonton Economic Development Authority for the purpose of promoting and developing the economic growth of the City in a manner consistent with general economic development policies for the City approved by Council;

The Edmonton Convention and Tourism Authority for the purpose of promoting and developing the convention and tourism industry in the City in a manner consistent with a general convention and tourism policy for the City approved by Council.

C. Property, Plant and Equipment

(i) Municipal

The Fixed Assets employed in General Municipal operations are originally recorded at an amount equal to the debenture borrowings other than the fixed assets for Storm and Solid Waste, the Equipment Pool and Edmonton Transit which are recorded at gross cost, including any portions financed by developer contributions and government grants. As well, Edmonton Transit capitalizes interest on funds used during construction. Fixed Assets are depreciated at an amount equal to principal repayment, except for the Equipment Pool and Transit for which depreciation is based upon estimated useful life. The term of the debenture borrowings is generally equal to the estimated useful life of the asset.

(ii) Utilities

These Fixed Assets are recorded at gross cost, regardless of financing sources. Interest on funds used during construction is capitalized at short-term borrowing rates. Depreciation is recorded on the gross cost of plant and equipment in service based upon the estimated useful lives of the assets. The Sanitary Sewer System is depreciated at an amount equal to the principal payments on the related borrowings.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

D. Local Improvement Costs Recoverable From Property Owners

These receivables originate with local improvements authorized by property owners and undertaken by the City. The construction costs and borrowing costs are recovered through annual special property assessments during the period of the related borrowings.

E. Interest Charges on Long-Term Debt

The City records accrued interest on all outstanding long-term debt.

F. Deferred Revenue

Deferred revenue is composed of advance payments on lease rentals of telephone equipment, one month advance billings charged by 'edmonton telephones' for telephone rentals to residential customers, and advance sales of Edmonton Transit Passes.

G. Vacation and Sick Benefit Plans

Vacation and sick benefit costs are recorded on a cash basis.

H. Reserves for Future Expenditures

These reserves represent amounts set aside for future municipal operating and capital expenditures. Additions thereto include profits on certain municipal operations, and donations for specific purposes. The principal decreases in these reserves include the cost of certain fixed asset additions.

I. Surplus on Land Fund

In accordance with the direction of City Council, profits from General Municipal land transactions are maintained in a surplus account for the purpose of providing funds for the acquisition of land inventory for general municipal purposes and resale.

J. Policy for Recording Foreign Exchange on Long-Term Debt

The City follows a policy of translating all debt issued in foreign currencies at year end exchange rates and all unrealized gains or losses are deferred. For debt related to General Government operations, only realized exchange gains or losses are charged against the current year's operations. For debt related to the utilities, gains or losses, realized and unrealized, incurred on foreign exchange translations are deferred and amortized over the remaining life of the related long-term debt.

K. Contributed Capital Surplus

Contributions received from other governments and utility customers in aid of construction are recorded as contributed capital surplus for the Utilities and also for Transit, Storm Sewers and Solid Waste disposal.

Except for Sanitary Sewer Utility and Storm Sewers and Solid Wastes, the contributed capital surplus on depreciable assets is being amortized to income over the remaining life of the assets. In the case of Sanitary Sewer Utility and Storm Sewers and Solid Wastes, the contributed capital assets are not depreciated and the contributions are not amortized.

NOTES TO FINANCIAL STATEMENTS

December 31, 1984

Introduction: All columnar amounts reported in the notes to the financial statements are in thousands of dollars.

NOTE 1. SHORT-TERM INVESTMENTS (NET)

The following balances represent the City's net short-term money market investment position.

	1984	1983
Cash	$ 9,116	$ 2,008
Short-term investments (notes receivable)	86,987	76,625
	96,103	78,633
Less: Notes payable	116	1,514
Net investment position	$95,987	$77,119

NOTE 2. INVESTMENTS HELD IN THE RESERVE FUND

$14,456,000 of the Investments held in the Reserve Fund are designated to fund Reserves for Future Expenditures and the Self Insurance Fund. The remaining $18,602,000 is not designated for specific purposes.

NOTE 3. PROPERTY, PLANT AND EQUIPMENT

A. The components of capital assets are as follows:

	1983 Restated	Net Additions	Grants Contributions, etc.	1984
General municipal*	$ 565,227	$ 55,288	$ 30,247	$ 590,268
Storm and solid wastes system	306,378	11,242		317,620
Edmonton Public Library*	6,694	348	348	6,694
Glenrose and Royal Alexandra Hospitals	5,230			5,230
Local Board of Health	540			540
Equipment Pool	84,296	1,939		86,235
Convention Centre*	40,999	1,168	1,167	41,000
Ambulance*	1,425	75	31	1,469
Mill Woods	16,946	(634)		16,312
Utilities	1,771,379	243,816		2,015,195
Total Assets	2,799,114	$ 313,242	$ 31,793	3,080,563
Less: Accumulated depreciation	588,331			664,391
Total Net Assets	$2,210,783			$2,416,172

* In accordance with the stated general accounting principles and practices the grants and contributions for General Municipal Fixed Assets are deducted from the related costs.

	1984	1983
B. Depreciation charged to operations for the year including local improvements and net of amortization of contributions	$98,950	$82,597

NOTES TO FINANCIAL STATEMENTS — continued

NOTE 4. LONG-TERM DEBT

A. Debt payable at December 31 includes the following amounts:

	1984	1983
In Canadian dollars	$1,891,441	$1,709,004
In U.S. dollars	21,320	22,800
Total long-term debt	1,912,761	1,731,804
Provision for foreign exchange	6,861	5,572
Loan payable — Research and Development Park	4,507	4,572
Leases ('edmonton telephones')	5,505	
Total	$1,929,634	$1,741,948

Included in long-term debt is $15,978,419 of mortgages secured by various public housing sites.

Principal payments on long-term debt for the next five years are as follows:

	1985	1986	1987	1988	1989
General Government	$ 40,747	$ 44,167	$ 48,774	$ 36,003	$ 21,313
Local Improvements	6,285	6,514	6,684	6,348	6,658
Utilities	41,164	44,521	49,832	42,905	97,315
Mill Woods	718	770	826	885	951
Leases ('edmonton telephones')	2,477	2,229	799		
	$ 91,391	$ 98,201	$106,915	$ 86,141	$126,237

B. The deferred foreign exchange costs represent:

	1984	1983
(i) The unamortized amount pertaining to U.S. issues to be charged to operations over the remaining life of the loans	$ 4,300	$ 3,320
(ii) The unamortized loss pertaining to the fully redeemed Swiss issue to be recovered from future 'edmonton telephones' and Edmonton Power rates over the remaining life of the original loan (1985 - 1986)	3,406	5,108
	$ 7,706	$ 8,428

C. Interest on long-term debt charged to operations:

	1984	1983
General Government	$ 66,691	$ 63,771
Local Improvements	22,011	20,428
Utilities	91,680	96,984
Mill Woods land development enterprise	244	111
	$180,626	$181,294

D. Existing long-term debt matures in annual amounts to the year 2020 and debenture interest is payable, before Provincial Subsidy at rates ranging from 3.50% to 19.00% per annum. The average annual interest rate is 12.67% for 1984 and 12.78% for 1983, before rebate.

NOTES TO FINANCIAL STATEMENTS — continued

E. For qualifying debt issues other than those issued for the Power and Telephone systems, the Province of Alberta rebates interest in excess of the following percentages:

Debenture Issue Date	Interest in Excess of
January 1, 1974 - March 31, 1980	8%
April 1, 1980 - March 26, 1981	9%
March 27, 1981 - March 31, 1982	11%
April 1, 1982 - March 28, 1986	11% (maximum rebate of 6%)
After March 28, 1986	No Rebate

The Province has imposed restrictions in order to phase out the rebate program. Current debt issues qualify for a rebate only if the Local Authorities Board certificate was approved prior to March 28, 1983. In addition, this rebate is restricted to five years if the approval was made prior to April 1, 1980 or after March 31, 1982.

Debt issues made after March 30, 1985 will not qualify for the full term rebate. No rebate will be allowed on issues made after March 30, 1986.

NOTE 5. SURPLUS

Distribution of Surplus

The current revenue surplus as at December 31 is designated as follows:

	1984	1983
Appropriated for general government	**$2,864**	$
Retained for future years' revenue stabilization	**1,470**	2,609
	$4,334	$2,609

NOTE 6. COMMITMENTS

A. Subsequent to December 31, 1984, City Council approved a 1985 capital budget of $622,125,000 which is to be funded as follows:

Reserves, Grants and Developer Contributions	$109,302
Self-liquidating debentures	468,539
Pay As You Go Funds	15,000
Tax supported debentures	29,284
	$622,125

Capital expenditures related to Genesee Power Project represent $233,039,000 of the 1985 capital budget. The City will require additional funds of $753,778,000 from 1986 to 1989 to complete the Genesee Power Project.

B. Leases

Prior to December 31, 1978, certain Transit buses had been financed through sale and leaseback arrangements. These leases were not accounted for as capital leases and therefore are not included in the balance sheet. The assets and liabilities that would have been included had the leases been accounted for as capital are:

Assets	**1984**	1983
Equipment under capital lease (cost)	**$16,116**	$16,116
Less: accumulated depreciation	**7,680**	6,599
	$ 8,436	$ 9,517
Liabilities		
Capital lease	**$10,353**	$11,345

Had the leased buses been recorded as capital, they would have been amortized on a straight-line basis, over their economic life of 15 years. Because they were not recorded as capital, the operating expenditures are lower by $89,332 in 1984 and $159,071 in 1983.

NOTES TO FINANCIAL STATEMENTS — continued

The lease expiry dates range from 1988 to 1993. The total minimum lease payments to 1993 are $13,961,000. Minimum lease payments for the next five years are:

1985	$1,812
1986	$1,812
1987	$1,812
1988	$1,642
1989	$1,523

C. Pension Plans

All employees of The City of Edmonton, with the exception of Policemen, are members of the Local Authorities Pension Plan of the Province of Alberta. Policemen are members of the Special Forces Pension Plan of the Province of Alberta. In both Plans, the City is only responsible for deducting and remitting monthly contributions.

The City is responsible for the pension requirements of those members who were retired at the time the City's Pension Plan was transferred to the Province of Alberta. Also, a Supplementary Pension Plan exists for Firemen with the City required to make contributions. Based upon the most recent actuarial reports the City's aggregate unfunded liability for the above funds, amounts to approximately $14,000,000 as of December 31, 1984. There is approximately $12,000,000 held in the Pension Fund following the settlement of a dispute between certain employee associations and the City over funds held at the time the City's Pension Plan was transferred to the Province of Alberta. These funds have not been used to reduce the liabilities in the pension plans, and they are not recorded in the assets of the combined financial statements.

D. Vacation and Sick Pay Benefit Plans

The City's vacation and sick benefit costs are recorded on a cash basis. Accordingly, an accrued liability for vacation pay at December 31, 1984 of approximately $27,000,000 has not been reflected in the Combined Financial Statements. An actuarial report of the City's sick benefit plan as at December 31, 1983 shows an unfunded liability of $16,500,000 which is not reflected in the combined financial statements.

NOTE 7. CONTINGENCIES

The City is defendant in various lawsuits as of December 31, 1984. While it is impossible to estimate the ultimate liability with respect to the pending litigation, the City Solicitor believes there will be no material adverse effect on the financial position of the City.

NOTE 8. CHANGE IN ACCOUNTING POLICY

The accounting policy for the Edmonton Convention Centre has been changed to record the fixed assets in a manner consistent with fixed assets employed in General Municipal operations. Convention Centre fixed assets were previously recorded at their full cost reflecting both contributed and debt financed assets. The accounts have been restated to record these assets at an amount equal to debenture borrowings.

As a result contributed capital surplus and fixed assets at January 1, 1984 have been reduced by $39,229,000, representing the cumulative amount of contributions and grants toward the financing of the asset to that date. Of the $39,229,000, $17,522,000 is applicable to 1983 and the remaining $21,707,000 is applicable to years prior to January 1, 1983 with contributed capital surplus and fixed assets being reduced accordingly as of these respective dates.

NOTE 9. RECLASSIFICATION

Certain 1983 figures have been restated to conform to 1984 financial statement presentation. The most significant reclassifications result primarily from the classification of Edmonton Transit as part of General Government, and the Self Insurance Fund as a separate entity. Edmonton Transit represents a reclassification of $2,130,000 retained earnings to contributed capital surplus. The Self Insurance Fund represents the reclassification of $5,155,000 from Reserves for Future Expenditure to Surplus on Self Insurance Fund. As well, deferred charges and advances for construction have been increased by $16,021,000 respectively. These amounts, which relate to government grants for roadways, were previously offset against each other.

NOTE 10. SUBSEQUENT EVENT

Subsequent to December 31, 1984 the City of Edmonton ('edmonton telephones') and the Province of Alberta (Alberta Government Telephones), signed a memorandum of understanding which provides the framework and methodology for resolving the issue of toll revenue sharing through binding arbitration. The City has agreed to allow privately owned equipment to be connected to the 'edmonton telephones' system. The net financial impact on asset valuation and revenue cannot be determined a this time.

SCHEDULE OF REVENUES AND EXPENDITURES

For the Years Ended December 31, 1984 and 1983
(in thousands of dollars)

	1984	1983
REVENUES		
Taxation:		
General municipal taxes	$169,717	$164,761
Business tax	55,022	53,653
Local improvement taxes	27,391	25,868
Other	2,693	2,674
	254,823	246,956
Government Grants:		
Municipal assistance	15,420	15,420
Police	10,784	10,622
Social services	8,162	6,831
Provincial government in lieu of taxes	10,609	9,668
Federal government in lieu of taxes	2,381	2,016
Interest stabilization rebate	15,795	15,531
Transit operating grant	5,636	5,526
Subsidized housing	1,577	1,841
Cultural and recreational	4,762	3,404
Provincial municipal housing incentive	868	4,404
Other	1,704	1,607
	77,698	76,870
Utility Contributions — franchise tax	38,557	36,367
Franchises and Rents:		
Gas franchise tax	17,868	18,068
Rental of City properties	3,583	5,932
Subsidy housing rentals	383	289
	21,834	24,289
Edmonton Transit	35,340	36,043

SCHEDULE OF REVENUES AND EXPENDITURES — continued

(in thousands of dollars)

	1984	1983
Service Fees and Other:		
Parks and Recreation	11,638	11,949
Real Estate and Housing	1,611	2,791
Planning	508	742
Police	915	1,546
Engineering	831	586
Sanitation	1,151	1,264
Other	3,429	2,548
	20,083	21,426
Licenses, Permits and Parking:		
Parking operations	4,168	4,642
Licenses and permits	4,692	5,861
	8,860	10,503
Fines	7,130	7,824
Interest:		
Interest on investments and loans	4,000	5,216
Tax penalties net of discounts	6,521	12,895
	10,521	18,111
Total Municipal Revenue before transfers	474,846	478,389
Transfers:		
Transfer from Reserves for Future Expenditures	4,970	4,052
Transfer from Edmonton Public Library Board	819	
Transfer from Mill Woods Retained Earnings	14,615	7,482
Transfer from Utilities — dividends	14,346	13,006
Surplus from Previous Year		5,250
	34,750	29,790
Total Municipal Revenues	509,596	508,179
Education:		
Taxation	155,390	155,006
Government grants in lieu of taxes	10,511	9,683
	165,901	164,689
TOTAL REVENUES	$675,497	$672,868

SCHEDULE OF REVENUES AND EXPENDITURES — continued

(in thousands of dollars)

	1984	1983
EXPENDITURES		
Debt Charges:		
General debt	$ 66,026	$ 49,100
Local improvement debt	28,920	26,419
	94,946	75,519
Protective Services:		
Police	70,426	70,237
Fire	50,551	48,461
Bylaw Enforcement	6,635	8,188
	127,612	126,886
Parks and Recreation	49,480	55,663
Social Services	16,732	14,435
Garbage Collection and Storm Sewer	14,286	14,289
Roadway Services:		
Roadway maintenance	14,248	18,440
Snow and ice removal	11,029	7,013
Street lighting	4,823	4,862
Traffic lights and signs	3,302	3,628
Offstreet parking	1,608	2,139
Street cleaning	3,194	3,857
Transportation system design	5,224	5,130
Other	4,115	2,954
	47,543	48,023
General Municipal Government:		
Corporate management	30,242	33,601
City property management and maintenance	5,182	8,637
	35,424	42,238
City Council and Mayor's Office	1,364	1,214
Edmonton Transit:		
Operating expenditures	84,113	86,556
Less: amortization of contributions	6,245	3,842
	77,868	82,714

SCHEDULE OF REVENUES AND EXPENDITURES — continued

(in thousands of dollars)

	1984	1983
Edmonton Public Library Board	10,245	10,245
Edmonton Ambulance Authority	1,292	1,467
Convention Centre Reserve	4,628	4,377
Edmonton Convention and Tourism Authority	648	720
Edmonton Economic Development Authority	1,303	1,388
World University Games	2	5,854
Provision for uncollectible business taxes	8,759	4,879
Assessment appeal tax reductions	3,722	1,601
Transfers:		
Capital expenditures	9,000	9,000
Provincial municipal housing incentive grant	818	4,404
Reserve for snow removal		1,500
Reserve for Capital City Recreation Park	2,199	
	12,017	14,904
Total Municipal Expenditures	507,871	506,416
Education:		
Provincial School Foundation Act	35,948	36,928
Public School District No. 7	96,278	94,950
Separate School District No. 7	33,675	32,811
	165,901	164,689
TOTAL EXPENDITURES	673,772	671,105
TOTAL REVENUES	675,497	672,868
Excess of revenues over expenditures	$ 1,725	$ 1,763

COMMENTS ON SUPPLEMENTARY FINANCIAL INFORMATION

December 31, 1984

We have reported to the Mayor and Members of Council on our examination for the purpose of expressing an opinion on the combined financial statements of The City of Edmonton for the year ended December 31, 1984.

We do not express an opinion on the following schedules since our examination did not extend to the detailed information therein.

Edmonton, Canada
April 26, 1985

Peat, Marwick, Mitchell & Co.
Chartered Accountants

ANALYSIS OF COMBINED BALANCE SHEET

December 31, 1984
(in thousands of dollars)

	General Government	Mill Woods Land Development Enterprise	Land Fund
ASSETS			
Current Assets			
Short term investment (net) — at cost	$ 95,976	$	$
Investments held in the Reserve Fund — at market	18,601		
Taxes receivable less allowance for uncollectible taxes	49,685		
Due from other governments	14,863		
Accounts receivable less allowance for doubtful accounts	10,584	2,692	
Inventory of materials and supplies — at average cost	7,804		
Deferred charges	20,359		
Inter-operation balance	2,724	90,390	(85,232)
	220,596	93,082	(85,232)
Land inventory held for resale — at cost		8,362	120,011
Land held for future municipal purposes			78,409
Deferred foreign exchange costs	1,890		
Local improvement costs recoverable from property owners	184,123		
Sinking Fund investments held for retirement of debentures	1,114	128	
Property, plant and equipment	792,756	16,312	
	$1,200,479	$117,884	$113,188

Equipment Pool	Self Insurance Fund	Combined Utilities	Convention Centre	Research and Development Park Authority	Edmonton Ambulance Authority	Sinking Fund of The City of Edmonton	Reserves Fund of The City of Edmonton	Combined Balance Sheet 1984	Combined Balance Sheet 1983 Restated
$	$	$	$	$	$ 11	$	$	$ 95,987	$ 77,119
	12,790						1,666	33,057	27,403
								49,685	56,703
22								14,885	9,094
	30	58,378	451	74	647		1	72,857	80,561
748		15,052	144		50			23,798	24,349
61		9,146	249		63			29,878	28,755
6,451		(34,533)	(407)	20,940	(333)				
7,282	12,820	48,043	437	21,014	438		1,667	320,147	303,984
				15,240				143,613	129,152
								78,409	99,900
		5,816						7,706	8,428
								184,123	186,119
		19,568				20,500		41,310	30,515
50,115		1,556,989						2,416,172	2,210,783
$57,397	$12,820	$1,630,416	$ 437	$36,254	$ 438	$20,500	$ 1,667	$3,191,480	$2,968,881

ANALYSIS OF COMBINED BALANCE SHEET — continued

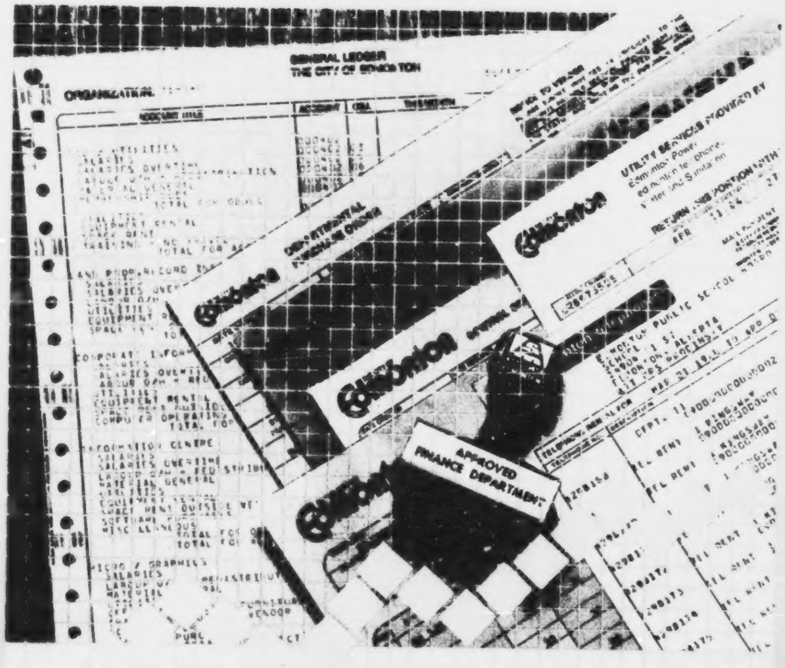
December 31, 1984
(in thousands of dollars)

	General Government	Mill Woods Land Development Enterprise	Land Fund
LIABILITIES			
Current Liabilities			
Bank overdraft	$ 25,168	$	$
Accounts payable and accruals	81,781	681	
Accrued interest on long-term debt	25,402		
Deferred revenue	1,279		
Utility deposits			
Advances for construction	23,773		
	157,403	681	
Long-term debt	582,644	9,605	68,876
Reserves for future expenditures	33,501		
SURPLUS			
Contributed capital surplus	400,602		
Utilities retained earnings			
Mill Woods land development enterprise retained earnings		107,598	
Equipment Pool retained earnings			
Land Fund surplus			44,312
Sinking Fund earnings surplus			
Self Insurance Fund surplus			
General surplus	21,995		
Current revenue surplus	4,334		
Research and Development Park Authority deficit			
	426,931	107,598	44,312
	$1,200,479	$117,884	$113,188

Equipment Pool	Self Insurance Fund	Combined Utilities	Convention Centre	Research and Development Park Authority	Edmonton Ambulance Authority	Sinking Fund of The City of Edmonton	Reserves Fund of The City of Edmonton	Combined Balance Sheet 1984	Combined Balance Sheet 1983 Restated
$	$	$	$ 25	$	$	$	$	$ 25,193	$ 22,090
61	3,900	24,293	378	950	392	2	1	112,439	146,341
889		40,983						67,274	60,406
		11,794	34					13,107	13,277
		5,401						5,401	5,100
		2,205						25,978	24,436
950	3,900	84,676	437	950	392	2	1	249,392	271,650
17,230		1,215,260		36,019				1,929,634	1,741,948
		622					1,666	35,789	43,231
550		142,742			46			543,940	520,512
		187,116						187,116	159,400
								107,598	104,463
38,667								38,667	32,908
								44,312	50,598
						20,498		20,498	16,871
	8,920							8,920	5,155
								21,995	20,000
								4,334	2,609
				(715)				(715)	(464)
39,217	8,920	329,858		(715)	46	20,498		976,665	912,052
$57,397	$12,820	$1,630,416	$ 437	$36,254	$ 438	$20,500	$ 1,667	$3,191,480	$2,968,881

THE CITY OF EDMONTON

COMBINED UTILITIES FINANCIAL STATEMENTS


GENERAL LEDGER
THE CITY OF EDMONTON
UTILITY SERVICES PROVIDED BY
APPROVED
FINANCE DEPARTMENT

City-owned Utilities
The City owns and operates all major public utility services, with the exception of natural gas. The utilities are Edmonton Power, 'edmonton telephones', Edmonton Water, Edmonton Municipal Airport and Edmonton Sanitary Sewer System.

Utility Fiscal Policy
The administration endeavours to ensure that the users pay the full cost of the utility facilities and services, including an adequate return on capital invested. A fiscal policy has been adopted by City Council to establish utility objectives in the areas of rates setting, municipal taxation and contribution of earnings to the City.

The policy for the five utilities establishes a rate of return on opening equity equal to 15%. Of this rate of return, 60% is required as a contribution of profits to the general revenues of the City. The remaining 40% is retained within the utilities. In addition, the City charges an 8% franchise tax on utility revenues in lieu of property and business taxes and other costs associated with the exclusive rights afforded each utility. This tax is included in the City's general revenues.

BALANCE SHEET

December 31, 1984 and 1983
(in thousands of dollars)

	Edmonton Municipal Airport	
	1984	1983
ASSETS		
Current assets:		
Due from The City of Edmonton	**$ 7,282**	$ 6,228
Accounts receivable less doubtful accounts	**543**	443
Inventory of material and supplies — at average cost		
Prepaid expenses		
	7,825	6,671
Deferred charges:		
Foreign exchange loss		
Debenture discount and expense less amortization		
Other		
Property accounts:		
Land, buildings and equipment	**18,147**	17,505
Less accumulated depreciation	**5,270**	4,674
	12,877	12,831
Construction in progress		
	12,877	12,831
The City of Edmonton Sinking Fund		
	20,702	19,502
LIABILITIES		
Current liabilities:		
Due to The City of Edmonton		
Accounts payable and accruals	**79**	115
Accrued interest on long-term debt	**136**	135
Unearned revenues		
City customer guarantee deposits	**5**	
	220	250
Reserve for future expenditures		
Customer advances		
Long-Term debt:		
Debentures payable	**3,999**	3,776
Provision for foreign exchange		
Capital lease obligations		
	3,999	3,776
EQUITY		
The City of Edmonton	**16,483**	15,476
Contributions and grants for extensions to plant		
	16,483	15,476
	$ 20,702	$ 19,502

Edmonton Power		'edmonton telephones'		Edmonton Sanitary Sewage System		Edmonton Water		Combined Utilities	
1984	1983	1984	1983	1984	1983	1984	1983	1984	1983
$	$	$	$ 12,509	$	$	$ 7,042	$ 9,312	$ 14,324	$ 28,049
39,216	39,264	9,286	7,939	3,190	2,715	6,143	5,382	58,378	55,743
4,823	5,224	8,927	8,278			1,302	1,492	15,052	14,994
946	15	3,295	2,067			46		4,287	2,082
44,985	44,503	21,508	30,793	3,190	2,715	14,533	16,186	92,041	100,868
3,021	3,420	2,795	3,517					5,816	6,937
4,065	2,343	339	431			42	45	4,446	2,819
		161	203			252	252	413	455
7,086	5,763	3,295	4,151			294	297	10,675	10,211
461,618	439,210	591,144	564,401	188,412	180,904	350,641	309,018	1,609,962	1,511,038
157,192	140,286	198,637	180,723	35,433	33,336	61,674	55,564	458,206	414,583
304,426	298,924	392,507	383,678	152,979	147,568	288,967	253,454	1,151,756	1,096,455
366,041	214,242	17,766	10,845	1,180	940	20,246	34,314	405,233	260,341
670,467	513,166	410,273	394,523	154,159	148,508	309,213	287,768	1,556,989	1,356,796
13,281	6,972	5,557	4,894	387	283	343	251	19,568	12,400
735,819	570,404	440,633	434,361	157,736	151,506	324,383	304,502	1,679,273	1,480,275
43,461	44,444	4,586		810	1,108			48,857	45,552
19,008	24,720	3,274	2,532	107	100	1,825	3,282	24,293	30,749
17,436	12,538	12,754	14,205	3,432	2,962	7,225	6,818	40,983	36,658
		11,794	12,168					11,794	12,168
3,429	3,334	952	743	327	411	688	612	5,401	5,100
83,334	85,036	33,360	29,648	4,676	4,581	9,738	10,712	131,328	130,227
622	423							622	423
				148	875	2,057	2,124	2,205	2,999
534,836	395,066	355,372	357,487	102,718	96,351	209,613	193,110	1,206,538	1,045,790
1,930	1,613	1,287	1,075					3,217	2,688
		5,505						5,505	
536,766	396,679	362,164	358,562	102,718	96,351	209,613	193,110	1,215,260	1,048,478
88,886	64,933	41,488	42,541	3,014	3,113	37,245	33,337	187,116	159,400
26,211	23,333	3,621	3,610	47,180	46,586	65,730	65,219	142,742	138,748
115,097	88,266	45,109	46,151	50,194	49,699	102,975	98,556	329,858	298,148
$735,819	$570,404	$440,633	$434,361	$157,736	$151,506	$324,383	$304,502	$1,679,273	$1,480,275

STATEMENT OF INCOME

For the Years Ended December 31, 1984 and 1983
(in thousands of dollars)

	Edmonton Municipal Airport	
	1984	1983
Revenue	**$ 8,396**	$ 7,335
Expenditures:		
Maintenance	**2,577**	2,368
Operating	**1,858**	2,033
Franchise Tax	**611**	541
Depreciation	**596**	542
Alberta Electrical Marketing Agency Transfer Payments		
	5,642	5,484
Net income (loss) before interest charges	**2,754**	1,851
Debenture interest	**458**	438
Interest capitalized		
Provincial Government Rebate	**(104)**	(108)
Other interest		
Amortization of debenture discount and foreign exchange loss		
	354	330
Net income (loss) before other items	**2,400**	1,521
Amortization of contributions		
NET INCOME (LOSS)	**$ 2,400**	$ 1,521

Edmonton Power		'edmonton telephones'		Edmonton Sanitary Sewage System		Edmonton Water		Combined Utilities	
1984	1983	**1984**	1983	**1984**	1983	**1984**	1983	**1984**	1983
$237,580	$223,566	**$184,320**	$180,171	**$ 25,204**	$ 24,759	**$ 54,874**	$ 51,127	**$510,374**	$486,958
10,864	11,998	**32,741**	38,232	**7,093**	7,586	**10,490**	10,586	**63,765**	70,770
134,412	148,825	**52,754**	48,308	**5,644**	5,961	**13,809**	13,668	**208,477**	218,795
18,720	17,288	**13,529**	13,159	**1,974**	1,913	**3,723**	3,466	**38,557**	36,367
16,950	16,513	**41,071**	35,711	**2,097**	2,078	**6,110**	5,489	**66,824**	60,333
3,107	(13,088)							**3,107**	(13,088)
184,053	181,536	**140,095**	135,410	**16,808**	17,538	**34,132**	33,209	**380,730**	373,177
53,527	42,030	**44,225**	44,761	**8,396**	7,221	**20,742**	17,918	**129,644**	113,781
53,307	45,167	**40,220**	39,913	**10,869**	10,066	**25,526**	23,607	**130,380**	119,191
(35,037)	(16,947)	**(885)**	(2,515)	**(123)**	(76)	**(2,655)**	(2,669)	**(38,700)**	(22,207)
				(2,531)	(2,477)	**(6,771)**	(6,373)	**(9,406)**	(8,958)
5,014	(1,443)	**1,022**	48			**(1,322)**	(1,314)	**4,714**	(2,709)
1,537	1,383	**1,268**	1,127			**10**	14	**2,815**	2,524
24,821	28,160	**41,625**	38,573	**8,215**	7,513	**14,788**	13,265	**89,803**	87,841
28,706	13,870	**2,600**	6,188	**181**	(292)	**5,954**	4,653	**39,841**	25,940
1,091	882	**176**	166			**954**	904	**2,221**	1,952
$ 29,797	$ 14,752	**$ 2,776**	$ 6,354	**$ 181**	$ (292)	**$ 6,908**	$ 5,557	**$ 42,062**	$ 27,892

STATEMENT OF THE CITY OF EDMONTON EQUITY

For the Years Ended December 31, 1984 and 1983
(in thousands of dollars)

	Edmonton Municipal Airport 1984	1983
Balance — January 1	**$ 15,476**	$ 15,335
Add — Net income (loss) for year	**2,400**	1,521
Less — Dividend payments to The City of Edmonton	**1,393**	1,380
Balance — December 31	**$ 16,483**	$ 15,476

STATEMENT OF CONTRIBUTIONS AND GRANTS FOR EXTENSIONS TO PLANT

For the Years Ended December 31, 1984 and 1983
(in thousands of dollars)

Balance — January 1	$	$
Add — Government grants		
Customer contributions		
Less — Amortization		
Balance — December 31	$	$

Edmonton Power		'edmonton telephones'		Edmonton Sanitary Sewage System		Edmonton Water		Combined Utilities	
1984	1983	**1984**	1983	**1984**	1983	**1984**	1983	**1984**	1983
$ 64,933	$ 55,144	**$ 42,541**	$ 39,766	**$ 3,113**	$ 3,742	**$ 33,337**	$ 30,527	**$159,400**	$144,514
29,797	14,752	**2,776**	6,354	**181**	(292)	**6,908**	5,557	**42,062**	27,892
5,844	4,963	**3,829**	3,579	**280**	337	**3,000**	2,747	**14,346**	13,006
$ 88,886	$ 64,933	**$ 41,488**	$ 42,541	**$ 3,014**	$ 3,113	**$ 37,245**	$ 33,337	**$187,116**	$159,400
$ 23,333	$ 21,098	**$ 3,610**	$ 3,467	**$ 46,586**	$ 44,341	**$ 65,219**	$ 60,526	**$138,748**	$129,432
195	220				12			**195**	232
3,774	2,897	**187**	309	**594**	2,233	**1,465**	5,597	**6,020**	11,036
3,969	3,117	**187**	309	**594**	2,245	**1,465**	5,597	**6,215**	11,268
1,091	882	**176**	166			**954**	904	**2,221**	1,952
$ 26,211	$ 23,333	**$ 3,621**	$ 3,610	**$ 47,180**	$ 46,586	**$ 65,730**	$ 65,219	**$142,742**	$138,748

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Years Ended December 31, 1984 and 1983
(in thousands of dollars)

	Edmonton Municipal Airport	
	1984	1983
FUNDS PROVIDED:		
From operations:		
Net income (loss) for the year	$ 2,400	$ 1,521
Depreciation and amortization	596	542
	2,996	2,063
From borrowings:		
Debenture issues	340	
From other sources:		
Disposal of fixed assets		
Contributions and grants		
Other net		
Total funds provided	3,336	2,063
FUNDS APPLIED:		
To capital expenditures	642	
To repayment of debt:		
Debentures	117	72
Sinking Fund payment and earnings		
Plant purchase agreement		
	117	72
To debenture discount and deferred expenses		
To repayment of advances		
Return on investment transferred to The City of Edmonton	1,393	1,380
Total funds applied	2,152	1,452
Increase (decrease) in working capital	1,184	611
	$ 3,336	$ 2,063

Edmonton Power		'edmonton telephones'		Edmonton Sanitary Sewage System		Edmonton Water		Combined Utilities	
1984	1983	**1984**	1983	**1984**	1983	**1984**	1983	**1984**	1983
$ 29,797	$ 14,752	**$ 2,776**	$ 6,354	**$ 181**	$ (292)	**$ 6,908**	$ 5,557	**$ 42,062**	$ 27,892
17,095	16,693	**42,198**	36,930	**2,097**	2,078	**5,160**	4,594	**67,146**	60,837
46,892	31,445	**44,974**	43,284	**2,278**	1,786	**12,068**	10,151	**109,208**	88,729
149,260	115,683	**17,612**	39,339	**8,379**	4,600	**19,389**	24,000	**194,980**	183,622
57	54	**841**	2,958					**898**	3,012
3,969	3,117	**187**	309	**594**	2,245	**1,465**	5,597	**6,215**	11,268
199		**1,195**	168					**1,394**	168
4,225	3,171	**2,223**	3,435	**594**	2,245	**1,465**	5,597	**8,507**	14,448
200,377	150,299	**64,809**	86,058	**11,251**	8,631	**32,922**	39,748	**312,695**	286,799
174,307	159,559	**58,814**	70,268	**7,748**	7,108	**27,555**	32,548	**269,066**	269,483
9,490	8,323	**14,632**	13,261	**2,013**	1,996	**2,886**	2,524	**29,138**	26,176
6,309	885	**253**	631	**104**	99	**92**	88	**6,758**	1,703
			268						268
15,799	9,208	**14,885**	14,160	**2,117**	2,095	**2,978**	2,612	**35,896**	28,147
2,242	1,695	**278**	426			**2**	14	**2,522**	2,135
				726	141	**66**	205	**792**	346
5,844	4,963	**3,829**	3,579	**280**	337	**3,000**	2,747	**14,346**	13,006
198,192	175,425	**77,806**	88,433	**10,871**	9,681	**33,601**	38,126	**322,622**	313,117
2,185	(25,126)	**(12,997)**	(2,375)	**380**	(1,050)	**(679)**	1,622	**(9,927)**	(26,318)
$200,377	$150,299	**$ 64,809**	$ 86,058	**$ 11,251**	$ 8,631	**$ 32,922**	$ 39,748	**$312,695**	$286,799

THE CITY OF EDMONTON

SCHEDULES, ANALYSES AND STATISTICS

STATISTICAL REVIEW

For the Years 1980 to 1984
(in thousands of dollars, except per capita)

	1984	1983	1982	1981	1980
Population	**560.085**	560.085	551.314	521.205	505.773
Area — in hectares	**63.066**	63.066	63.066	30.753	30.753
Building permits	**$ 333.930**	$ 583.243	$ 802.627	$ 1.157.038	$ 873.200
Assessment:					
Total taxable assessment	**$11.231.490**	$11.088.987	$10.889.588	$ 9.855.094	$ 9.310.999
Percentage of total assessment represented by:					
Residential properties	**65.39%**	63.7%	62.8%	65.2%	66.5%
Commercial properties	**34.61%**	36.3%	37.2%	34.8%	33.5%
Taxable assessment per capita	**$ 20.053**	$ 19.799	$ 19.751	$ 18.908	$ 18.409
Estimated market value of taxable assessment	**$23.900.000**	$22.000.000	$26.200.000	$25.000.000	$22.000.000
Rates of taxation (mills):					
Single family residences	**22.42%**	22.09	20.59	17.71	15.63
Multiple family residences	**27.11%**	26.64	24.81	21.38	18.87
Vacant Residential land	**30.95%**				
Commercial and industrial	**39.35%**	38.80	36.37	31.69	27.83
Tax collections, arrears and levy:					
Percentage of current taxes collected	**94.41%**	93.7%	91.9%	94.0%	94.1%
Percentage of arrears and current taxes collected	**102.75%**	103.4%	97.2%	100.2%	99.9%
Tax arrears per capita	**$ 78.90**	$ 84.46	$ 82.61	$ 54.14	$ 49.05
Property tax levy per capita	**$ 634.11**	$ 618.41	$ 573.95	$ 479.07	$ 410.95
Revenue:					
General government revenue	**675.497**	$ 672.868	$ 605.651	$ 491.521	$ 411.181
Percentage of revenue:					
Property and business taxes	**62.2%**	61.2%	62.6%	59.8%	59.6%
Utility contributions	**7.8%**	7.3%	7.3%	7.8%	7.8%
Grants	**11.5%**	11.4%	10.0%	11.8%	10.4%
Other	**18.5%**	20.1%	20.1%	20.6%	22.2%
Long-term debt:					
Debt per capita:					
Self supported	**$ 2.815**	$ 2.531	$ 2.313	$ 1.931	$ 1.658
Tax supported	**565**	539	425	315	214
	$ 3.380	$ 3.070	$ 2.738	$ 2.246	$ 1.872
Current tax supported debt charges as a % of general government revenue	**9.8%**	7.3%	5.9%	4.8%	3.4%
Per capita tax supported debt as a % of per capita disposable income	**4.1%**	3.9%	3.6%	2.9%	2.2%
Percentage of total debt to be retired:					
Within 5 years	**26.1%**	23.2%	20.3%	15.3%	18.1%
Within 10 years	**45.9%**	41.6%	36.9%	33.4%	36.0%

ANALYSIS OF NET LONG-TERM DEBT AS AT DECEMBER 31, 1984 AND LONG-TERM DEBT PRINCIPAL AND INTEREST PAYMENTS

for the Year Ended December 31, 1984
(in thousands of dollars)

	ng-Term Debt Outstanding		
	Long-Term Debt	Sinking Fund	Net Long-Term Debt
Protection to Persons — Property:			
Fire	$ 17,960	$	$ 17,960
Police	11,389		11,389
Traffic lights	7,257		7,257
	36,606		36,606
Public Works:			
Workshops, yards and equipment	3,686		3,686
Bridges and approaches	11,004		11,004
Curbs and sidewalks	440		440
Subways and tunnels	119		119
Pedestrian tunnels	228		228
Land	1,758		1,758
Streets and roadways	89,978		89,978
	107,213		107,213
Storm Sewer and Solid Waste System:	45,998		45,998
Edmonton Transit System:	74,850		74,850
Recreation and Community Services:			
Space Sciences Building	4,969		4,969
Parks and playgrounds	25,719		25,719
Swimming pools	5,109		5,109
Skating rinks	1,371		1,371
Community centres	102		102
Libraries	3,975		3,975
Ambulance Authority	1,345		1,345
Miscellaneous	9,323		9,323
	51,913		51,913
Municipal Enterprises:			
Edmonton Power & Power Generation	534,836	13,281	521,555
'edmonton telephones'	355,372	5,557	349,815
Edmonton Water	209,613	343	209,270
Sanitary Sewer System	102,717	387	102,330
Edmonton Municipal Airport	3,998		3,998
Mill Woods Project	9,605	128	9,477
Local Improvements Property Share	184,648		184,648
Parking — Garage	802		802
Public Housing	22,796		22,796
Royal Alexandra Hospital	4,775		4,775
Health Offices and Clinics	298		298
Mobile Equipment Services	20,943		20,943
Integrated Services Facilities	7,679		7,679
Mobile Home Park	1,636		1,636
Convention Centre	40,435		40,435
Land Inventory	64,516		64,516
Edmonton Research & Development Park	31,512		31,512
	1,596,181	19,696	1,576,485
TOTAL	$1,912,761	$ 19,696	$1,893,065

Sinking Fund Required Earnings

Long-Term Borrowing Position		Principal and Interest Payments on Long-Term Debt (Accrued)			
Pending or (Unexpended) Debenture Borrowings	Total Long-Term Debt Position	Principal	Interest	Provincial Government Interest Rebate	Total
$ (2,688)	$ 15,272	$ 538	$ 2,702	$ 731	$ 2,509
	11,389	148	1,761	626	1,283
	7,257	810	1,168	336	1,642
(2,688)	33,918	1,496	5,631	1,693	5,434
	3,686	308	505	98	715
	11,004	1,006	1,018	94	1,930
	440	82	35		117
	119	15	9		24
	228	12	18		30
	1,758	355	137		492
(8,244)	81,734	5,088	11,873	2,616	14,345
(8,244)	98,969	6,866	13,595	2,808	17,653
8,210	54,208	3,391	5,638	1,122	7,907
(1,490)	73,360	3,316	11,012	3,167	11,161
(216)	4,753	31	659	112	578
(254)	25,465	1,948	3,300	697	4,551
	5,109	208	729	238	699
	1,371	123	97		220
(841)	(739)	8	8		16
	3,975	378	404	73	709
(153)	1,192	148	142	34	256
	9,323	617	1,414	374	1,657
(1,464)	50,449	3,461	6,753	1,528	8,686
43,461	565,016	15,213	54,639		69,852
4,586	354,401	14,632	38,323		52,955
(7,042)	202,228	3,013	26,337	7,073	22,277
810	103,140	2,103	11,781	2,870	11,014
	3,998	118	468	108	478
	9,477	666	836	31	1,471
(1,669)	182,979	6,285	22,011	5,574	22,722
	802	109	49		158
(3,043)	19,753	237	1,922	94	2,065
	4,775	62	615	126	551
	298	21	24	1	44
	20,943	3,276	3,236	870	5,642
502	8,181	66	1,065	367	764
	1,636	15	209	57	167
	40,435	237	6,166	1,895	4,508
(20,940)	43,576	9,219	10,776	3,529	16,466
	31,512	43	2,820	1,005	1,858
16,665	1,593,150	55,315	181,277	23,600	212,992
$ 10,989	$1,904,054	$ 73,845	$ 223,906	$ 33,918	$ 263,833
		$ 870			
		$ 74,715			

SCHEDULE OF TAXATION

December 31, 1984 and 1983
(in thousands of dollars)

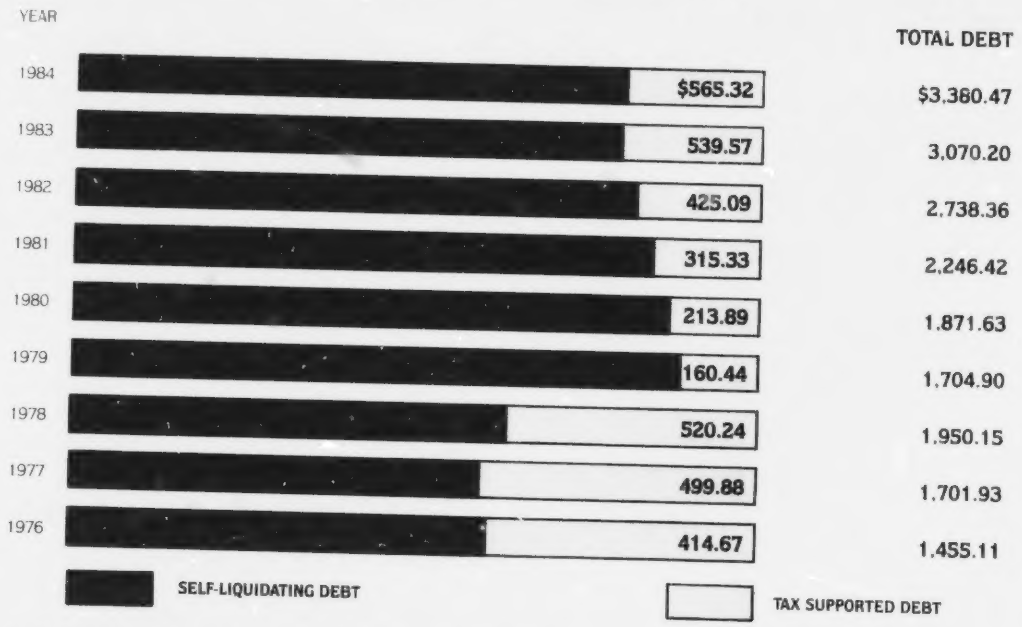
	1984	1983
Property Taxes:		
Arrears - January 1	$ 47,305	$ 45,547
Add Penalties	9,012	13,474
Sundry adjustments	(2,370)	172
	53,947	59,193
Add current year's tax levy:		
Tax levy bylaw	325,174	319,905
Supplementary and partial tax levy and adjustments	2,693	2,536
Assessment appeals tax reductions	(1,086)	(1,601)
Municipal and school taxes	326,781	320,840
Special frontage and local improvement taxes	27,800	25,202
Other special charges	573	321
	355,154	346,363
Less collections:		
Collections of current taxes	332,683	323,353
Collections of arrears of taxes	29,597	33,697
Discount	2,632	1,200
	364,912	358,250
Property tax arrears December 31	44,189	47,306
Business Taxes:		
Arrears January 1	15,497	11,187
Add Penalties	2,137	2,572
Sundry adjustments	272	22
	17,906	13,781
Add current year's tax levy	51,087	49,276
Add Convention Centre	4,500	4,377
	55,587	53,653
Less collections:		
Current taxes	45,949	43,935
Arrears of taxes	5,159	5,373
Discount	1,996	1,970
Taxes written off	2,791	659
	55,895	51,937
Gross business tax arrears	17,598	15,497
Less — Allowance for uncollectible taxes	12,102	6,100
Business tax arrears — December 31	5,496	9,397
Total Tax Arrears	$ 49,685	$ 56,703

SCHEDULE OF FUNDED DEBT TRANSACTIONS

December 31, 1984 and 1983
(in thousands of dollars)

	Net Debt December 31, 1983	Issues	Redemptions	Net Debt December 31, 1984
Self-Liquidating Debt:				
Utilities	$1,040,230	$182,683	$ 35,945	**$1,186,968**
Local Improvements	178,558	12,375	6,285	**184,648**
Hospitals	4,837		62	**4,775**
Mill Woods Project	10,147		670	**9,477**
Public Housing	23,034		238	**22,796**
Parking Garage	911		109	**802**
Health Offices and Clinics	319		21	**298**
Mobile Equipment Services	24,219		3,276	**20,943**
Mobile Home Park	1,651		15	**1,636**
Integrated Services Facilities	7,745		66	**7,679**
Convention Centre	40,672		237	**40,435**
Land Inventory	73,735		9,219	**64,516**
Research and Development Park	11,433	20,122	43	**31,512**
	1,417,491	215,180	56,186	**1,576,485**
Debt Subject to Taxation:				
General	256,858	28,862	15,138	**270,582**
Storm Sewer and Solid Wastes	44,961	4,428	3,391	**45,998**
	301,819	33,290	18,529	**316,580**
Total	$1,719,310	$248,470	$ 74,715	**$1,893,065**

DISTRIBUTION OF NET LONG-TERM DEBT — PER CAPITA



As at December 31, 1984, projects pending debenture funds amounted to $16.163 million for self-liquidating and unexpended debenture funds of $5.174 for tax supported projects.

STATEMENT OF INTEREST RATES ON LONG-TERM DEBT

December 31, 1984
(in thousands of dollars)

Percentage Rate Of Interest	Long-Term Debt	Annual Interest
3.500	$ 23	$ 1
4.000	65	3
4.500	381	17
5.250	844	44
5.375	2,744	148
5.625	215	12
5.750	18,919	1,088
5.875	54	3
6.000	8,733	524
6.375	221	14
6.670	759	51
6.750	4,320	292
6.830	155	11
6.875	2,298	158
7.000	690	48
7.500	22,642	1,698
7.534	347	26
7.625	5,373	410
7.750	43,093	3,340
7.875	3,468	273
8.000	19,803	1,584
8.031	702	56
8.125	6,000	487
8.250	5,492	453
8.500	33,727	2,867
8.750	7,859	688
9.000	6,500	585
9.250	107,070	9,904
9.375	60,903	5,710
9.500	2,338	222
9.750	104,873	10,225
10.000	66,516	6,652
10.125	376	38
10.375	16,427	1,704
10.500	84,281	8,850
11.125	29,126	3,240
11.500	47,461	5,458
11.750	45,832	5,385
12.000	51,175	6,141
12.250	100,000	12,250
12.375	6,731	833
12.500	2,319	290
12.625	32,249	4,071
12.750	4,581	584
12.875	50,891	6,552
13.000	71,189	9,255
13.125	9,141	1,200
13.250	43,153	5,718
13.375	1,218	163
13.500	15,691	2,118
13.625	12,389	1,688
13.750	199,767	27,468
14.000	23,714	3,320
14.250	3,853	549
14.500	2,468	358
15.250	41,648	6,351
16.000	135,333	21,653
16.250	51,197	8,320
16.500	115,820	19,110
17.000	58,308	9,912
18.125	51,154	9,272
19.000	68,142	12,947
Gross Debt	1,912,761	$ 242,392
Sinking Fund	19,696	
Net Debt	$1,893,065	

Average Annual Interest Rate $\frac{242,392}{1,912,761} \times 100 = 12.67\%$

SUMMARY OF OUTSTANDING LONG-TERM DEBT

December 31, 1984
(in thousands of dollars)

Debenture Debt Issued To:	
Alberta Municipal Financing Corporation	**$1.599.714**
General Public	**280.466**
Central Mortgage and Housing Corporation	**6.254**
Province of Alberta	**3.145**
Alberta Housing Corporation	**2.790**
Municipal Development and Loan Board	**2.542**
Government of Canada	**1.339**
City of Edmonton Sinking Fund	**469**
Alberta Opportunity Company	**63**
	1.896.782
Mortgages Issued To:	
Municipal Development and Loan Board	**14.135**
Central Mortgage and Housing Corporation	**1.844**
	15.979
Total Long-Term Debt	**$1.912.761**

The Long Term Debt of The City of Edmonton is payable in the following currency and amounts:

Canadian Dollars	**$1.891.441**
U.S. Dollars	**21.320**
	$1.912.761

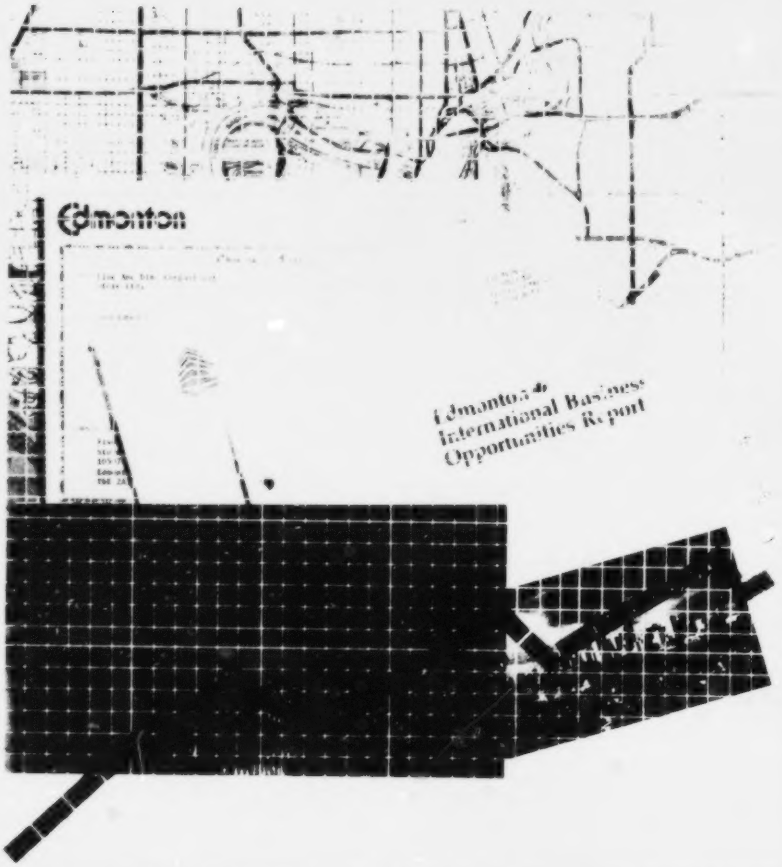
ANNUAL LONG-TERM DEBT SERVICE CHARGES

(in thousands of dollars)

	Self-Liquidating				Tax Supported				
Year	**Principal**	**Interest**	**Rebate**	**Sub-Total**	**Principal**	**Interest**	**Rebate**	**Sub-Total**	**Total**
1985	$63.597	$199.207	$24.014	$238.790	$25.317	$42.486	$10.211	$57.592	$296.382
1986	68.245	191.118	23.063	236.300	27.727	39.686	9.923	57.490	293.790
1987	75.977	183.671	22.029	237.619	30.110	36.578	9.593	57.095	294.714
1988	53.301	175.484	20.868	207.917	32.782	33.139	9.214	56.707	264.624
1989	107.000	171.058	20.203	257.855	19.179	29.354	8.793	39.740	297.595
1990	61.426	159.472	19.526	201.372	12.005	27.109	8.428	30.686	232.058
1991	65.100	153.485	19.055	199.530	12.857	25.642	8.042	30.457	229.987
1992	66.946	146.847	18.560	195.233	11.774	24.019	7.603	28.190	223.423
1993	66.772	136.815	18.000	185.587	10.297	22.572	7.235	25.634	211.221
1994	66.167	126.620	17.410	175.377	9.756	21.258	6.878	24.136	199.513
1995	71.189	119.136	16.742	173.583	9.965	19.670	6.478	23.157	196.740
1996	78.075	110.976	15.977	173.074	10.001	18.319	6.0'2	22.308	195.382
1997	76.881	101.922	15.130	163.673	10.739	16.693	5.529	21.903	185.576
1998	81.234	93.332	14.159	160.407	8.360	15.038	5.009	18.389	178.796
1999	81.143	84.267	13.066	152.344	9.684	13.715	4.555	18.844	171.188
2000	75.821	76.702	11.832	140.691	11.082	10.650	4.036	17.696	158.387
2001	75.588	66.643	10.518	131.713	11.212	10.413	3.437	18.188	149.901
2002	70.832	58.010	9.087	119.755	9.657	8.586	2.817	15.426	135.181
2003	66.209	46.912	7.633	105.488	7.742	7.036	2.300	12.478	117.966
2004	57.210	35.877	6.087	87.000	8.973	5.806	1.886	12.893	99.893
2005	48.300	21.792	4.366	65.726	10.401	4.377	1.410	13.368	79.094
2006	42.063	14.279	2.618	53.724	9.929	2.716	842	11.803	65.527
2007	29.603	7.448	1.156	35.895	5.674	1.071	300	6.445	42.340
2008	9.339	2.937	288	11.988	1.357	180	29	1.508	13.496
2009	6.567	1.711	116	8.162					8.162

THE CITY OF EDMONTON

RELATED AUTHORITIES — FINANCIAL STATEMENTS


Edmonton
Edmonton's International Business Opportunities Report

AUDITORS' REPORT

To the Shareholder

We have examined the balance sheet of The City of Edmonton Non-Profit Housing Corporation as at December 31, 1984 and the statements of revenue and expenditures, surplus (deficit) and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles for municipal organizations applied on a basis consistent with that of the preceding year.

Edmonton, Canada
March 8, 1985

Peat, Marwick, Mitchell & Co.
Chartered Accountants

BALANCE SHEET

December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
ASSETS		
Current assets:		
Cash and short-term deposits	**$ 146**	$ 34
Accounts receivable	**58**	59
Prepaid taxes	**38**	30
The City of Edmonton — current account	**5,190**	3,045
Total current assets	**5,432**	3,168
Fixed assets:		
Housing projects (notes 3 and 4)	**47,205**	46,744
Less accumulated depreciation	**91**	41
	47,114	46,703
	$52,546	$49,871
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	**$ 44**	$ 371
Deferred revenue	**180**	
Deposits	**262**	220
Prepaid rents	**3**	4
Current portion of mortgages payable (note 6)	**59**	53
Total current liabilities	**548**	648
The City of Edmonton loan (note 5)	**2,500**	2,500
Mortgages payable (note 6)	**48,974**	46,397
Shareholder's equity:		
Capital stock:		
Authorized 20,000 shares without par value:		
issued 1 share	**1**	1
Unappropriated deficit	**(146)**	(106)
Subsidy reserve	**38**	45
Replacement reserve	**631**	386
Total shareholder's equity	**524**	326
	$52,546	$49,871

See accompanying notes to financial statements.

THE CITY OF EDMONTON
NON-PROFIT HOUSING CORPORATION

STATEMENT OF REVENUE AND EXPENDITURES

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Rental revenue	$3,618	$2,507
Operating assistance	5,505	4,260
	9,123	6,767
Rental expenditures:		
Interest	7,201	5,673
Taxes	618	490
Utilities	325	353
Wages and salaries	151	129
Repairs and maintenance	257	142
Management fees	120	103
Insurance	46	45
Advertising	18	34
Inspection fees	31	23
Depreciation	50	22
Other	13	16
Equipment		1
	8,830	7,031
Net rental income (loss)	293	(264)
Administration expenses:		
Salaries	88	88
Contract Work	28	52
Occupancy	15	16
Other	8	5
	139	161
Administration expenses capitalized (note 4)	(14)	(126)
	125	35
Excess of revenue over expenditures (expenditures over revenue)	$ 168	$ (299)

See accompanying notes to financial statements.

STATEMENTS OF SURPLUS (DEFICIT)

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Unappropriated surplus (deficit), beginning of year:		
As previously reported	**$ (106)**	$ (5)
Restatement of capitalized interest of prior period (note 7)		412
As restated	**(106)**	407
Excess of revenue over expenditures (expenditures over revenue)	**168**	(299)
Transfer from subsidy reserve	**11**	11
Transfer to replacement reserve	**(219)**	(202)
Transfer to subsidy reserve		(8)
Surplus funds refundable to Canada Mortgage and Housing Corporation		(15)
Unappropriated deficit, end of year	**$ (146)**	$ (106)
Subsidy reserve, beginning of year	**$ 45**	$ 44
Transfer to unappropriated surplus	**(11)**	(11)
Interest	**4**	5
Transfer from unappropriated surplus		8
Surplus funds refundable to Canada Mortgage and Housing Corporation		(1)
Subsidy reserve, end of year	**$ 38**	$ 45
Replacement reserve, beginning of year	**$ 386**	$ 169
Transfer from unappropriated surplus	**219**	202
Interest	**43**	15
Eligible expenditures	**(17)**	
Replacement reserve, end of year	**$ 631**	$ 386

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
FUNDS PROVIDED FROM:		
Operations:		
Excess of revenue over expenditures	$ 168	$
Add depreciation	50	
Total funds provided from operations	218	
Interest earned on reserve funds	47	20
Advance of additional mortgages and changes in current portion	2,751	17,073
Total funds provided	3,016	17,093
FUNDS APPLIED TO:		
Operations:		
Excess of expenditures over revenue		299
Deduct depreciation		22
Total funds applied to operations		277
Expenditures from replacement reserve	17	
Repayment of mortgages	174	1,200
Payment of surplus funds to Canada Mortgage and Housing Corporation		16
Increase in fixed assets	461	11,900
Total funds applied	652	13,393
Increase in working capital	2,364	3,700
Working capital (deficiency), beginning of year	2,520	(1,180)
Working capital, end of year	$ 4,884	$ 2,520

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 1984

1. AUTHORITY AND ACTIVITY:

The Corporation was established for the purpose of providing non-profit housing for the citizens of The City of Edmonton. City Council authorized the establishment of the Corporation by approving Bylaw No. 5107 on September 8, 1977. The City of Edmonton is the sole shareholder of the Corporation.

2. ACCOUNTING PRINCIPLES:

The financial statements have been prepared in accordance with generally accepted accounting principles for municipal organizations.

Housing projects are valued at cost. Interest, property taxes and administration expenses incurred during construction are capitalized to the cost of the projects. Revenue generated from the project up to the interest adjustment date is netted against the cost of the project. The housing projects are depreciated at an amount equal to the principal repayment on related mortgages.

Purchases of office equipment are charged to operations in the year of purchase and gross proceeds on any disposals are recorded as revenue.

Operating assistance is a subsidy provided by Canada Mortgage and Housing Corporation and Alberta Home Mortgage Corporation to operating projects to reduce project costs and rentals.

The replacement reserves are required to be set up pursuant to the Corporation's agreements with Canada Mortgage and Housing Corporation and Alberta Home Mortgage Corporation. The replacement reserves are increased based on specific calculations for the related project and will be used for capital replacement for the project.

The subsidy reserve may be established and increased by the net surplus on a project to a maximum of $500 per rental unit. They will be used in the event of future operating assistance shortfalls for the project.

In addition to transfers out of retained earnings, the subsidy and replacement reserves were credited with interest earned during the year on the reserves' funds.

3. HOUSING PROJECTS:

	1984	1983
Completed Projects:		
Land costs	**$ 8,516,251**	$ 7,887,371
Construction costs	**38,647,472**	36,569,081
	47,163,723	44,456,452
Under construction and pre-development costs:		
Land costs		628,880
Construction costs		1,606,311
Pre-development costs	**41,595**	52,205
	41,595	2,287,396
Total Housing Projects	**$47,205,318**	$46,743,848
Number of units:		
Completed	**875**	834
Under construction		41

4. CAPITALIZED CONSTRUCTION COSTS:

In 1984, the Corporation has capitalized $13,893 ($126,222 in 1983) of the administration expenses which relate to project management during construction. The Corporation has also capitalized interest costs of $101,745 ($597,396 in 1983) and property taxes of $9,696 ($54,375 in 1983) incurred during construction of the related projects.

5. THE CITY OF EDMONTON LOAN:

The Corporation has received a loan of $2,500,000 from The City of Edmonton from funds generated by the Municipal Incentive Grant Program. Interest is charged at the City's short-term investment rate.

NOTES TO FINANCIAL STATEMENTS — continued

6. MORTGAGES PAYABLE:

The mortgages payable, secured by the housing projects, are payable to the Alberta Home Mortgage Corporation. Details of the mortgages payable are as follows:

Project	Monthly Payment Including Interest	Interest Rate (%)	Mortgage Renewal Date	Balance Oustanding December 31, 1984, Including Accrued Interest
Elm Park Place	$15,397	12¼	Jan. 1, 1986	$ 1,469,945
Vermillion Place	10,744	13¾	May 1, 1986	955,086
Barclay Square	45,159	13¾	Jul. 1, 1986	4,037,439
McCauley	52,718	15½	Aug. 1, 1986	4,240,514
Primrose Place	36,122	15½	Aug. 1, 1986	2,395,851
Castle Brae	32,513	15½	Sep. 1, 1986	2,508,319
Mission Glen	27,742	15½	Sep. 1, 1986	2,225,431
Riverdale	20,989	19¾	Jul. 1, 1987	1,346,007
Castle Close	30,309	18	Sep. 1, 1987	2,120,125
Kameyosek	53,081	18	Nov. 1, 1987	3,712,553
North Callingwood	43,504	18	Nov. 1, 1987	3,042,542
Boyle Street II	56,505	19¾	Jan. 1, 1988	3,614,054
Boyle Street III	62,934	21¼	Jan. 1, 1988	3,759,082
King Edward I	28,589	14¼	Jul. 1, 1988	2,483,753
King Edward II	13,199	14¼	Jul. 1, 1988	1,132,159
Point West	49,766	13¾	Oct. 1, 1988	4,469,470
Lago Lindo	24,919	13½	Nov. 1, 1988	2,273,960
Willowdale	28,967	13½	May 1, 1989	2,647,498
				49,033,788
Less current portion				59,400
				$48,974,388

The approximate repayment of principal over the next five years is as follows:

1985	$ 59,400
1986	68,400
1987	79,300
1988	91,700
1989	105,800

7. PRIOR PERIOD ADJUSTMENT:

During 1983, the Corporation changed its basis of calculating capitalized interest, which resulted in the restatement of prior years' financial statements.

8. COMPARATIVE FIGURES:

Certain of the 1983 balances have been reclassified to conform to the 1984 presentation.

AUDITORS' REPORT

To the Authority Board Members

We have examined the balance sheet of The Edmonton Research and Development Park Authority as at December 31, 1984 and the statements of revenue and expenditures and deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles for municipal organizations applied on a basis consistent with that of the preceding year.

Edmonton, Canada
March 8, 1985

Peat, Marwick, Mitchell & Co.
Chartered Accountants

BALANCE SHEET

December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
ASSETS		
Accounts receivable	**$ 74**	$ 11
Due from The City of Edmonton	**20,940**	2,605
Prepaid expenses		1
Land, at cost (note 3)	**7,526**	6,888
Land services and improvements, at cost	**4,833**	4,591
Land and buildings, at cost (note 4)	**2,881**	1,824
	$36,254	$15,920
LIABILITIES AND DEFICIT		
Accrued liabilities	**$ 950**	$ 377
Loan payable (note 5)	**4,507**	4,574
Debentures payable (note 6)	**31,512**	11,433
Total Liabilities	**36,969**	16,384
Deficit	**715**	464
Commitments (note 7)		
	$36,254	$15,920

See accompanying notes to financial statements.

STATEMENT OF REVENUE AND EXPENDITURES AND DEFICIT

Year ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
REVENUE:		
Proceeds from sale of land and land services and improvements	$ 197	$
Less: Cost of land and land services and improvements sold	191	
Gain on sale	6	
Lease of Research I	30	
	36	
EXPENDITURES:		
Salaries, wages and benefits	99	86
Office expense and rent	63	54
Contract work	50	40
Advertising, research and promotion	4	23
Park operations	45	10
Transportation and travel	13	8
Board expenses	13	6
Miscellaneous		4
	287	231
Excess of expenditures over revenue	251	231
Deficit, beginning of year	464	233
Deficit, end of year	$ 715	$ 464

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
FUNDS PROVIDED:		
Increase in accrued liabilities	$ 573	$ 41
Proceeds from debenture payable	20,122	
Decrease in prepaid expenses	1	
Proceeds from loan payable		367
Decrease in construction in progress		209
Total funds provided	20,696	617
FUNDS APPLIED:		
To operations:		
Excess of expenditures over revenues	251	231
Deduct: Cost of land and land services and improvements sold	(191)	
Funds applied to operations	60	231
Purchase of land and buildings	1,057	1,527
Capitalization of interest on land and land services and improvements	999	847
Purchase of land services and improvements	72	146
Repayment of loan payable	67	
Repayment of debentures payable	43	36
Increase in accounts receivable	63	11
Other		29
Total funds applied	2,361	2,827
Increase (decrease) in Due from The City of Edmonton	18,335	(2,210)
Due from The City of Edmonton, beginning of year	2,605	4,815
Due from The City of Edmonton, end of year	$20,940	$ 2,605

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 1984

1. AUTHORITY AND ACTIVITY:

On April 25, 1979, City Council authorized the development of The Edmonton Research and Development Park including provisions for servicing the lands. On May 22, 1980, the Provincial Government proclaimed Bill PR2, The Edmonton Research and Development Park Authority Act, which created The Edmonton Research and Development Park Authority ("the Authority") as a Body Corporate. The Authority was established for the purpose of acquiring, planning, developing and servicing lands designated for Research and Development Park use.

On October 29, 1980, City Council authorized the Commission Board to execute the Operating Agreement between The City of Edmonton and the Authority. The Authority is operating as a separate entity within The City of Edmonton.

2. ACCOUNTING PRINCIPLES:

The financial statements have been prepared in accordance with generally accepted accounting principles for municipal organizations.

The interest on debentures issued, net of interest revenue on amount due from The City of Edmonton, is capitalized to the cost of land and land services and improvements. This capitalization of interest continues as long as the resulting cost is lower than the net realizable value of the assets.

Depreciation on buildings and tenant improvements, which will commence on January 1, 1985, will be provided on a straight line basis at the following rates:

Buildings	25 years
Tenant improvements	5 years

3. LAND:

The City of Edmonton holds title to the lands in trust. However, under the Operating Agreement the Authority has the right to request The City to convey title to the Authority or to a purchaser designated by the Authority.

4. LAND AND BUILDINGS:

The Authority owns a multi-tenant building in which it leases space.

The balance is comprised of:

	1984	1983
Land	**$ 376,666**	$ 373,121
Buildings	**1,487,996**	1,451,277
Tenant improvements	**1,016,586**	
	$2,881,248	$1,824,398

NOTES TO FINANCIAL STATEMENTS — continued

December 31, 1984

5. LOAN PAYABLE:

On December 11, 1980, Alberta Housing Corporation agreed to lend The City of Edmonton funds to a maximum amount of $5,000,000 to be used for local improvements required in connection with the development of a Research Park.

On December 12, 1990, the loan is due and payable and will bear interest at a per diem market interest rate. Until such time, The City of Edmonton will repay the loan on sale, lease, or other disposition of the lands with no interest charged on the amount advanced. In 1984, $67,317 was repaid due to the sale of land.

Under the terms of the Agreement, title to the Authority's lands has been encumbered to protect the interest of Alberta Housing Corporation.

6. DEBENTURES PAYABLE:

On September 15 and October 15, 1981, debentures were issued by The City of Edmonton. Under Bylaw No. 6142, debentures were allocated to the Authority for $5,500,000 at 18.125% and $6,000,000 at 19.0% respectively. The debentures are each repayable in 25 equal annual instalments of principal and interest on September 15 and October 15, respectively, beginning in 1982 until 2006.

On October 1, 1984, debentures were issued by The City of Edmonton to complete a purchase of land and to finance the construction of new buildings. Under Bylaw No. 6142 and 6719, debentures were allocated to the Authority for $122,363 at 13.75% and $20,000,000 at 13.75%. The debentures each are payable in 25 equal annual instalments of principal and interest on October 1 beginning in 1985 until 2009.

All of the debentures are eligible for the Alberta Government interest rebate which reduces the effective interest rate to 11% per year. The payments below reflect the effect of the rebate.

The payments required over the next five years are as follows:

Year	Principal	Interest	Total
1985	$166,137	$3,466,349	$3,632,486
1986	191,436	3,448,074	3,639,510
1987	220,670	3,427,016	3,647,686
1988	254,465	3,402,742	3,657,207
1989	293,550	3,374,751	3,668,301

7. COMMITMENTS:

The Authority is committed under operating lease agreements for minimum rental payments of $30,343 in 1985 and $21,118 in 1986.

AUDITORS' REPORT

To the Chairman and the Members of the
Board of Directors of The Edmonton
Ambulance Authority

We have examined the balance sheet of The Edmonton Ambulance Authority as at December 31, 1984 and the statement of revenue and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for non-profit organizations applied on a basis consistent with that of the preceding year.

Edmonton, Alberta
February 20, 1985

Barry, Watson & Partners
Chartered Accountants

BALANCE SHEET

December 31, 1984
(in thousands of dollars)

	1984	1983
ASSETS		
Current Assets		
Cash	$ 11	$ 1
Accounts receivable, net of allowance for doubtful accounts	647	687
Inventory (note 3)	50	37
Prepaid expenses	63	26
Due from The City of Edmonton (note 4)	265	
Total current assets	1,036	751
Fixed assets (note 5)	747	1,237
Total assets	$1,783	$1,988
LIABILITIES AND SURPLUS		
Current Liabilities		
Bank overdraft	$	$ 38
Accounts payable	392	310
Due to The City of Edmonton (note 4)		806
Current portion of long-term debt (note 6)	289	148
Total current liabilities	681	1,302
Long-term debt (note 6)	1,056	601
Total liabilities	1,737	1,903
Contributed surplus (note 7)	46	85
Total liabilities and surplus	$1,783	$1,988
Contingent liabilities (note 8)		

STATEMENT OF REVENUE AND EXPENDITURES

For the Year Ended December 31, 1984
(in thousands of dollars)

	1984	1983
REVENUE		
Ambulance services	$4,157	$3,941
Miscellaneous	19	9
	4,176	3,950
EXPENDITURES		
Labour, salaries and employee benefits	3,830	3,973
Vehicle, plant and equipment	568	616
Communications	207	200
Ambulance services	186	153
Administrative services	79	120
Debenture servicing costs	107	87
Capital equipment	12	37
	4,989	5,186
Excess of expenditures over revenue before other items	813	1,236
Other items		
Depreciation and amortization	$ 526	$ 311
Amortization of contributed surplus	(46)	(80)
	480	231
Deficit before The City of Edmonton subsidy	1,293	1,467
The City of Edmonton subsidy	1,293	1,467
GENERAL SURPLUS	$ —	$ —

NOTES TO FINANCIAL STATEMENTS

December 31, 1984

The Edmonton Ambulance Authority began operations on July 1, 1981 to provide ambulance and pre hospital medical services to the residents of The City of Edmonton. The initial assets were acquired from Smith's Ambulance (1962) Ltd.

1. SIGNIFICANT ACCOUNTING POLICIES

a) Fixed Assets

Assets acquired on the purchase from Smith's Ambulance (1962) Ltd. are depreciated on a straight line basis over a period of five years.

Automotive and ambulance equipment acquired subsequently are depreciated on a straight line basis over five years with no depreciation charge in the year of acquisition.

Office furnishings, computers, training and communication equipment are expensed in the year of acquisition.

Disposals of fixed assets are accounted for by reducing the cost base of the remaining assets by the amount of proceeds received.

b) Inventory

Inventory is valued at the lower of cost and net realizable value.

c) Contributed surplus — general

Assets acquired through grants or contributions are recorded at their full cost with a corresponding increase to contributed surplus. These assets are depreciated on the same basis as similar automotive and ambulance equipment. The offsetting contributed surplus is amortized to income using the same basis as the donated assets are depreciated.

Contributed surplus presently has been accounted for as follows.

In conjunction with the acquisition of Smith's Ambulance (1962) Ltd., The City of Edmonton contributed $200,000 intended to fund $100,000 of goodwill and $100,000 of equipment purchases. Goodwill was amortized over three years and the equipment over five years.

The Northern and Central Alberta Perinatal Program contributed one Neonatal Ambulance costing $60,000, which is being amortized over three years.

The Downtown Lions Club of Edmonton contributed $31,775 to fund an equipment purchase which is being amortized over five years. The Lions Club of Jasper Place contributed $7,385 to fund an equipment purchase which is being amortized over five years.

d) Contributions of The City of Edmonton

The City of Edmonton contributes an amount equal to the excess of expenditures over revenue for the year.

e) Statement of Changes in Financial Position

A Statement of Changes in Financial Position has not been provided as in the opinion of management it would not provide additional meaningful information. This is consistent with prior years.

2. CHANGE IN ACCOUNTING POLICY

Leasehold improvements

Leasehold improvements were amortized on a straight line basis over three years with $104,000 charged in the year of acquisition and the balance over three years. The Authority has changed this policy and amortized the balance of leasehold improvements during the current year. The effect on the financial statement was an increase of $146,979 in amortization expense and a similar increase in the City of Edmonton subsidy.

3. INVENTORY

	1984	1983
Medical supplies	$22,875	$11,252
Vehicle parts and supplies	26,889	25,612
	$49,764	$36,864

NOTES TO FINANCIAL STATEMENTS — continued

December 31, 1984

4. DUE (TO) FROM THE CITY OF EDMONTON

	1984	1983
Due (to) from The City of Edmonton, at beginning of year	$ (805,646)	$(1,217,796)
Expenditures, transfers	(965,364)	(1,931,360)
Debenture funding	744,000	877,000
Deficit before subsidy	1,292,386	1,466,510
Due (to) from The City of Edmonton, at end of year	$ 265,376	$ (805,646)

5. FIXED ASSETS

	1984			1983
	Cost	Accumulated Depreciation and Amortization	Net	Net
Automotive and ambulance equipment	$1,583,868	$ 836,193	$ 747,675	$1,017,417
Leasehold improvements	220,144	220,144		219,554
	$1,804,012	$1,056,337	$ 747,675	$1,236,971

6. LONG-TERM DEBT

	1984	1983
16% debenture, payable $175,400 per year, principal plus interest, due May, 1987	$ 601,548	$ 749,476
12⅛% debenture, payable $70,800 per year, principal plus interest, due December, 1939	354,000	
11[illegible]% debenture, payable $78,000 per year, principal plus interest, due March, 1989	390,000	
	1,345,548	749,476
Less principal amount due within one year	288,909	147,928
	$1,056,639	$ 601,548

Approximate principal repayments within each of the next five years are as follows:

1985	$ 288,909
1986	330,339
1987	377,829
1988	164,437
1989	184,034
	$1,345,548

NOTES TO FINANCIAL STATEMENTS — continued

December 31, 1984

7. CONTRIBUTED SURPLUS

	1984			1983
	Cost	Accumulated Amortization	Net	Net
Purchase of Smith's Ambulance (1962) Ltd. Equipment	$100,000	$ 80,000	$ 20,000	$ 40,000
Equipment	39,160	12,710	26,450	25,420
Neonatal unit	60,000	60,000		20,000
	$199,160	$152,710	$ 46,450	$ 85,420

8. CONTINGENT LIABILITIES

The Authority is committed to leases for premises and equipment. Annual rental amounts and expiry dates are as follows:

	Rental Amounts	Expiry
Premises	$161,808	March, 1993
Equipment	6,779	September, 1986 and December, 1989
	$168,587	

9. COMPARATIVE FIGURES

Comparative figures were reported on by other auditors. Certain 1983 figures have been reclassified to conform to the financial statements presentation adopted for the current year.

AUDITORS' REPORT

To the Members of
The Edmonton Convention Centre Authority

We have examined the balance sheet of The Edmonton Convention Centre Authority as at December 31, 1984 and the statements of operations and The City of Edmonton funding and changes in City of Edmonton advance for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1984 and the results of its operations and the changes in its City of Edmonton advance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Edmonton, Canada
February 25, 1985

Peat, Marwick, Mitchell & Co.
Chartered Accountants

BALANCE SHEET

December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
ASSETS		
Current assets:		
Cash	$	$ 228
Accounts receivable (note 3)	451	174
Inventories	144	210
Prepaid expenses	39	35
Total current assets	634	647
Leasehold improvements, at cost	247	109
Accumulated amortization	37	1
	210	108
	844	755
LIABILITIES		
Current liabilities:		
Outstanding cheques less cash balance	25	
Accounts payable and accrued liabilities	155	388
Salaries and benefits payable	223	260
Deposits (note 4)	34	66
City of Edmonton advance (note 5)	341	41
Current portion of note payable (note 5)	33	
Total current liabilities	811	755
Note payable (note 5)	33	
Commitments and contingent liability (note 6)		
	$ 844	$ 755

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS AND THE CITY OF EDMONTON FUNDING

for the year ended December 31, 1984 (with comparative figures for the period May 15, 1983 to December 31, 1983)
(in thousands of dollars)

	1984				1983
	Restaurants & Lounges	Banquets	Events & Services	Total	Total
Revenue	$1,065	$2,835	$ 753	$4,653	$2,044
Cost of sales	373	946		1,319	617
Gross margin	692	1,889	753	3,334	1,427
Direct operating expenses:					
Salaries, wages and benefits	554	1,079	299	1,932	1,126
Laundry and linen	15	77	5	97	50
Supplies	34	115	37	186	133
General and administration	26	11	3	40	25
Utilities and telephone	53		99	152	102
Advertising and promotion	93			93	56
Janitorial			94	94	37
Entertainment	135	13		148	20
Repairs and maintenance	4	15	4	23	14
Storage			13	13	7
Miscellaneous	2		1	3	1
Direct operating expenses	916	1,310	555	2,781	1,571
	$ (224)	$ 579	$ 198	553	(144)
Other (income) expense:					
General administration expense				1,030	590
Maintenance expense				881	399
Marketing and sales expense				403	223
Miscellaneous revenue				(70)	(14)
				2,244	1,198
Excess of expenses over revenue				$1,691	$1,342
Funding from The City of Edmonton (note 5)				$1,691	$1,342

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN CITY OF EDMONTON ADVANCE

for the year ended December 31, 1984 (with comparative figures for the period May 15, 1983 to December 31, 1983)
(in thousands of dollars)

	1984	1983
FUNDS PROVIDED:		
Funding from The City of Edmonton	**$1,691**	$1,342
Note payable	**100**	
Decrease in working capital items		67
Total funds provided	**1,791**	1,409
FUNDS APPLIED:		
Operations:		
Excess of expenses over revenue	**1,691**	1,342
Expense not requiring an outlay of funds:		
Amortization	**(36)**	(1)
Funds applied to operations	**1,655**	1,341
Capital expenditures	**138**	109
Repayment of note payable	**34**	
Increase in working capital items	**264**	
Total funds applied	**2,091**	1,450
Increase in City of Edmonton advance	**300**	41
City of Edmonton advance, beginning of period	**41**	
City of Edmonton advance, end of period	**$ 341**	$ 41

See accompanying notes to financial statements.

THE CITY OF EDMONTON

THE EDMONTON CONVENTION CENTRE AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 1984

1. AUTHORITY AND ACTIVITY:

On October 24, 1978, The City of Edmonton authorized the creation of the Edmonton Convention Centre Authority ("the Authority"). The Government of the Province of Alberta proclaimed Bills PR3 and PR14, which created the Authority as a Body Corporate. The Authority was established to develop, maintain, manage and operate a trade and convention centre for The City of Edmonton.

The facility was constructed by The City of Edmonton. The land, building and original equipment are owned by The City of Edmonton.

The City of Edmonton and the Authority entered into a five year Interim Operating Agreement effective June 30, 1982. Operations commenced on May 15, 1983.

2. SIGNIFICANT ACCOUNTING POLICIES:

Inventories of food, beverage and operating supplies are stated at the lower of cost and replacement cost.

Leasehold improvements relate to the pedway area which is occupied by the Authority's offices and retail tenants. Amortization is provided on the straight line method over five years commencing from the date of occupancy for Authority offices and over the lease term for retail tenants.

3. ACCOUNTS RECEIVABLE:

	1984	1983
Trade accounts receivable	$424.833	$148.683
Allowance for doubtful accounts	15.793	13.000
	409.040	135.683
Other	41.956	38.285
	$450.996	$173.968

4. DEPOSITS:

	1984	1983
Customer deposits	$ 26.485	$ 39.587
Tenant deposits	7.716	26.496
	$ 34.201	$ 66.083

5. TRANSACTIONS WITH THE CITY OF EDMONTON:

In 1984, The City of Edmonton agreed to fund an amount equal to the excess of expenses over revenue for the year.

On February 9, 1984, the Authority entered into an agreement with The City of Edmonton to borrow $100,000 to finance the conversion of pedway retail space to office space. Repayment of this loan is in three instalments due December 31, 1984, January 2, 1985 and January 2, 1986, with interest to be charged at The City of Edmonton's preferred rate commencing January 2, 1985 on the remaining balance.

6. COMMITMENTS AND CONTINGENT LIABILITY:

The Authority's commitments are operating leases for storage space and a data processor. The Authority's commitments under the remaining terms of these leases is $26.119 payable as follows:

1985	$ 12.998
1986	7.498
1987	5.623

A claim has been filed by a former employee of the Authority claiming general and special damages relating to wrongful dismissal. It is management's estimate that any potential loss resulting from this claim will not be material.

7. 1983 COMPARATIVE FIGURES:

Certain of the 1983 figures have been reclassified to conform to 1984 presentation.

AUDITORS' REPORT

To the Chairman and the Members of the
Edmonton Economic Development Authority:

We have examined the balance sheet of the Edmonton Economic Development Authority as at December 31, 1984 and the statement of funds provided and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1984 and the funds provided and expenditures of the Authority for the year then ended in accordance with generally accepted accounting principles for municipal organizations applied on a basis consistent with the prior year.

Edmonton, Alberta
February 20, 1985

Price Waterhouse
Chartered Accountants

BALANCE SHEET

(in thousands of dollars)

	December 31	
	1984	1983
ASSET		
Amount due from the City of Edmonton	$101	$
LIABILITIES		
Cheques issued in excess of bank balance	$ 96	$
Accounts payable	5	
	$101	$

STATEMENT OF FUNDS PROVIDED AND EXPENDITURES

(in thousands of dollars)

	Year ended December 31	
	1984	1983
Funds provided by the City of Edmonton	$1.202	$1.388
Expenditures:		
Salaries	613	620
Labour	7	11
Labour overheads	55	71
Overtime		3
Printing, postage and stationery	221	191
Advertising	177	189
Space rent and maintenance	79	125
Promotion	26	28
Transportation	16	30
Travel and training	43	37
Furniture and equipment	21	29
Utilities	17	21
Computer services	6	7
Miscellaneous, freight and delivery	27	28
Sale of brochures	(5)	(2)
	1.303	1.388
Funds to be provided by the City of Edmonton	$ 101	$

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1984

1. AUTHORITY:

The Edmonton Economic Development Authority ("the Authority") was created by the Edmonton Economic Development Authority Act, a Private Act of the Legislature of the Province of Alberta, in April, 1982. The City of Edmonton provides the Authority with funds which, in the opinion of the Council of the City, are necessary for the operation of the Authority.

2. ACCOUNTING PRINCIPLES:

The financial statements have been prepared in accordance with generally accepted accounting principles for municipal organizations.

Purchases of office equipment are included as expenditures in the year of purchase and any proceeds on disposals would be recorded as funds provided.

AUDITORS' REPORT

To the Board of Directors of
The Edmonton Convention and Tourism Authority

We have examined the balance sheet of the Edmonton Convention and Tourism Authority as at December 31, 1984 and the statements of operations, equity and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Edmonton, Alberta
February 21, 1985

Kingston Ross & Co.
Chartered Accountants

THE CITY OF EDMONTON
THE EDMONTON CONVENTION AND TOURISM AUTHORITY

BALANCE SHEET

December 31, 1984
(in thousands of dollars)

	1984	1983
ASSETS		
Current assets		
Cash (including short-term deposits of nil; 1983 — $100,000)	$ 21	$ 115
Accounts receivable (Note 2)	33	49
Advance receivable (Note 3)	20	
Prepaid expenses	14	12
	88	176
Fixed assets (Note 4)	49	14
	$ 137	$ 190
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	$ 91	$ 63
Deferred membership revenue	28	32
	119	95
Commitments (Note 5)		
Equity	18	95
	$ 137	$ 190

STATEMENT OF OPERATIONS

Year ended December 31, 1984
(in thousands of dollars)

	1984	1983
REVENUE		
Grants — City of Edmonton	$ 648	$ 720
Incentive programs — Province of Alberta	68	62
Memberships	59	39
Co-operative programs, services and sales	135	65
Convention Bureau	59	58
Interest	8	16
	977	960
EXPENSES		
Salaries and benefits — permanent	291	228
— seasonal	71	74
Premises	60	61
Administrative	114	119
Marketing	506	371
Research		9
	1,042	862
OPERATIONS SURPLUS (DEFICIT)	$ (65)	$ 98

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 1984
(in thousands of dollars)

	1984	1983
Sources of working capital		
Operations Surplus (Deficit)	$ (65)	$ 98
Uses of working capital		
Purchase of fixed assets	47	17
Increase (decrease) in working capital	(112)	81
Working capital, beginning of year	81	
Working capital (deficiency), end of year	$ (31)	$ 81
Working capital (deficiency) is represented by:		
Current assets	$ 88	$ 176
Current liabilities	119	95
	$ (31)	$ 81

STATEMENT OF EQUITY

Year ended December 31, 1984
(in thousands of dollars)

	1984			1983
	Operations	Capital	Total	Total
Equity, beginning of year	$ 81	$ 14	$ 95	$
Add:				
Operations surplus (deficit)	(65)		(65)	98
Capital appropriations from operations		47	47	17
	16	61	77	115
Deduct:				
Capital expenditures	47		47	17
Depreciation		12	12	3
Equity, end of year	$ (31)	$ 49	$ 18	$ 95

NOTES TO FINANCIAL STATEMENTS

December 31, 1984

1. SIGNIFICANT ACCOUNTING POLICIES

Fixed Assets

(i) Fixed assets purchased are recorded at cost. The Authority provides depreciation and amortization [illegible] and allocates these charges directly to equity using the following methods and rates:

	Method	Rate
Furniture and fixtures	Straight line	20%
Leasehold improvements	Straight line	Term of lease

(ii) Fixed assets donated are recorded in the accounts at the nominal value of $1.

Printed Material

The Authority records purchases of printed material as an expense in the year incurred.

Deferred Membership Revenue

Deferred membership revenue includes both revenue billed in advance and current billings for prospective [illegible]

2. ACCOUNTS RECEIVABLE

	1984	1983
Membership	$27.574	[illegible]
Co operative programs	5.831	[illegible]
Accrued interest		[illegible]
	$33.405	[illegible]

3. ADVANCE RECEIVABLE

Grey Cup 1984 Celebration Society	$20.000

4. FIXED ASSETS

	1984			1983
	Cost	Accumulated Depreciation and Amortization	Net Book Value	Net Book Value
Furniture and fixtures	$19.489	$ 5.670	$13.819	$ 8.861
Leasehold improvements	43.990	8.798	35.192	5.491
	$63.479	$14.468	$49.011	$14.352

Depreciation provided for in current year totalled $12,253; (1983 — $2,215)

NOTES TO FINANCIAL STATEMENTS — continued

December 31, 1984

5. CONTINGENCY AND COMMITMENTS

a) **Contingency**

The Authority is presently disputing approximately $2.000 of liabilities with respect to certain supplier invoices which have been recorded in these financial statements. The adjustment if any, resultant from settling this dispute will be recorded in the accounts at the settlement date.

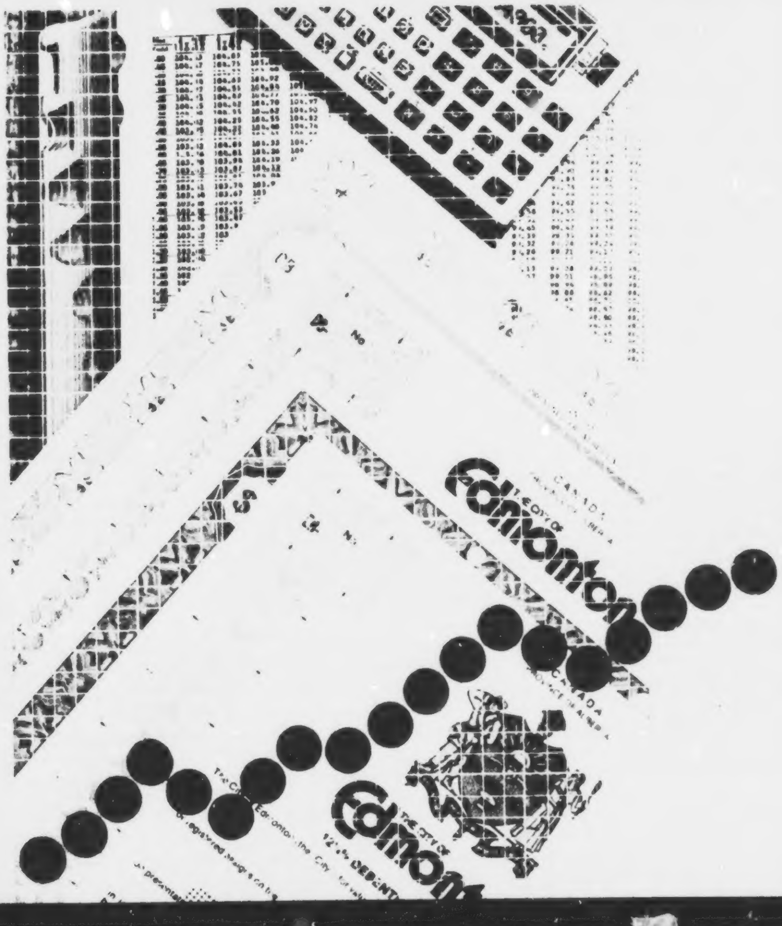
b) **Lease Commitments**

The Authority leases its administrative office premises and downtown Visitor Information Centre from the Convention Centre Authority in the Edmonton Convention Centre. Annual rentals under agreements presently outstanding are as follows:

1985	$ 34.986
1986	34.986
1987	34.986
1988	34.293
1989	6.667
	$145.918

THE CITY OF EDMONTON

SPECIAL FUNDS — FINANCIAL STATEMENTS



Edmonton
CANADA
Edmonton
CANADA
Edmonton

THE CITY OF EDMONTON

THE SINKING FUND OF THE CITY OF EDMONTON

AUDITORS' REPORT

To His Worship the Mayor and Council
The City of Edmonton

We have examined the balance sheet of The Sinking Fund of The City of Edmonton as at December 31, 1984 and the statements of earnings and unappropriated surplus and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Sinking Fund of The City of Edmonton as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles, except for the change in the method of recording foreign currency translation as explained in note 2 to the financial statements, applied on a basis consistent with that of the preceding year.

Edmonton, Canada
March 22, 1985

Peat, Marwick, Mitchell & Co.
Chartered Accountants

BALANCE SHEET

December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
ASSETS		
Cash	$ 4	$ 3
Accrued interest on investments	738	560
Due from The City of Edmonton	5	3
Short-term investments — at cost:		
The City of Edmonton	1,865	150
Commercial paper	30,964	21,318
	33,576	22,034
Deferred foreign exchange loss (note 2)	359	
Bonds and debentures — at amortized cost (note 3)	7,375	8,479
	$41,310	$30,513
LIABILITIES, RESERVES AND SURPLUS		
Accounts payable	$ 2	$ 393
Reserve for debt retirement:		
9¼% Series U due September 1, 1990	3,134	2,832
9¼% Series W due December 15, 1990	2,060	1,507
8¾% Series Y due August 4, 1991	2,187	1,965
8½% Series AA due May 15, 1992	3,475	3,101
8 % Series AB due June 15, 1992	3,461	3,089
12¼% Series DB due March 15, 1993	3,976	
12¼% Series EB due June 14, 2003	1,404	
Allowance for exchange costs at maturity	1,113	755
Total funds required to be provided	20,810	13,249
Unappropriated surplus	20,498	16,871
	$41,310	$30,513

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
FUNDS PROVIDED FROM:		
Operations:		
Net earnings	**$ 4,497**	$ 3,375
Gain on foreign currency translation	**(79)**	(52)
Gain on sale of securities	**(420)**	(540)
Amortization of discounts and premium	**(149)**	(156)
	3,849	2,627
Proceeds from sale and maturity of bonds and debentures:		
Government of Canada	**2,200**	200
The City of Edmonton	**2,261**	2,184
	4,461	2,384
Payments received from The City of Edmonton	**6,331**	1,178
	14,641	6,189
FUNDS APPLIED TO:		
Purchases of bonds and debentures:		
The City of Edmonton	**2,708**	1,817
Increase in working capital	**11,933**	4,372
	$14,641	$ 6,189
Changes in working capital:		
Increase in current assets	**$11,542**	$ 4,671
Increase (decrease) in current liabilities	**(391)**	299
Increase in working capital	**$11,933**	$ 4,372

See accompanying notes to financial statements.

STATEMENT OF EARNINGS AND UNAPPROPRIATED SURPLUS

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Interest earnings	$ 3,849	$ 2,627
Amortization of discounts and premiums — net	149	156
Gain on sale of securities	420	540
Gain on foreign currency translation	79	52
Net earnings	4,497	3,375
Appropriation for foreign exchange on debentures maturing in future years (note 1)		129
	4,497	3,246
Appropriation of required earnings on sinking funds	870	556
Unappropriated earnings for the year	3,627	2,690
Unappropriated surplus, beginning of year	16,871	14,181
Unappropriated surplus, end of year	$20,498	$16,871

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 1984

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Edmonton makes annual payments into the Sinking Fund as required by each debenture issue. These funds are invested by the Sinking Fund in securities approved in the Municipal Government Act. The annual rate of return required by the issue is allocated to meet the future debt requirements. Earnings in excess of those required are maintained within the fund as unappropriated surplus.

This unappropriated surplus may, on request of the City Council and subject to the approval of the Local Authorities Board, be used for such purposes as approved by the Board.

Amortization of premiums and discounts:
Bond and debenture premiums and discounts are amortized on a straight-line basis over the term of the issue.

Foreign exchange translation:
Reserves for debt reitrement are translated at the current exchange rate. The gain or loss on translation is deferred and amortized over the term of the debt issue.

2. CHANGE IN ACCOUNTING POLICY:

In 1984, the Fund prospectively changed its accounting policy for foreign currency translation to conform with the recommendation of the Canadian Institute of Chartered Accountants (Note 1).

The Fund previously recorded long-term monetary items at the current exchange rate, recognizing the full gain or loss in the current year.

3. BONDS AND DEBENTURES:

	Par Value	Market Value		Amortized Cost	
	1984	1984	1983	1984	1983
Government of Canada	$	$	$2,198,900	$	$2,197,170
Provinces of Canada	1,700,000	1,402,300	1,360,000	1,698,543	1,698,558
The City of Edmonton	6,506,020	5,464,024	4,149,151	5,476,371	4,383,581
Other municipalities	200,000	183,000	177,000	199,554	199,404
	$8,406,020	$7,049,324	$7,885,051	$7,374,468	$8,478,713

AUDITORS' REPORT

To His Worship the Mayor and Council
The City of Edmonton

We have examined the balance sheet of The Reserves Fund of The City of Edmonton as at December 31, 1984 and the statements of earnings, reserve deposits and equity and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Reserves Fund of The City of Edmonton as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting principles as set out in Note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

Edmonton, Canada
March 22, 1985

Peat, Marwick, Mitchell & Co.
Chartered Accountants

BALANCE SHEET

December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
ASSETS		
Cash	$ 1	$ 2
Accrued interest on investments	454	347
Accounts receivable	1	1
Due from The City of Edmonton	2,795	1,809
Short term investments — at cost:		
The City of Edmonton	2,915	660
Commercial paper	23,174	19,545
	29,340	22,364
Bonds and debentures — at amortized cost (note 2)	3,877	5,419
Less allowance to reduce to market value	159	379
	3,718	5,040
	$33,058	$27,404
LIABILITIES, RESERVES AND EQUITY		
Accounts payable	$ 1	$ 1
Reserve deposits	14,456	10,887
The City of Edmonton equity	18,601	16,516
	$33,058	$27,404

See accompanying notes to financial statements.

STATEMENT OF EARNINGS

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Revenue:		
Interest earned (net)	$ 3,081	$ 2,351
Gain (loss) on disposal of securities	(121)	127
Amortization of discounts and premiums (net)	29	47
	2,989	2,525
Expenses:		
Trustee honorariums	1	1
Other expenses	1	1
	2	2
Net earnings	$ 2,987	$ 2,523
Distribution of Net Earnings:		
Reserve deposits	$ 1,123	$ 887
The City of Edmonton equity	1,864	1,636
	$ 2,987	$ 2,523

See accompanying notes to financial statements.

STATEMENT OF RESERVE DEPOSITS AND EQUITY

Year Ended December 31, 1984
(in thousands of dollars)

	December 31, 1983	Deposits	Net Earnings	Withdrawals	Adjustment to Market	December 31, 1984
Reserve deposits:						
Cemetery Perpetual Care	$ 1,266	$ 111	$ 132	$ 120	$	$ 1,389
Edmonton Creche and Day Nursery	2					2
The Edmonton Public Library Board	310		21	285		46
Parkland Reserve Trust	734		96	601		229
Self-Insurance	8,325	3,368	847			12,540
Motor Vehicles	250		27	27		250
Total reserve deposits	10,887	3,479	1,123	1,033		14,456
The City of Edmonton equity	16,516		1,864		221	18,601
	$27,403	$ 3,479	$ 2,987	$ 1,033	$ 221	$33,057

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
FUNDS PROVIDED FROM:		
Operations:		
Net earnings	$ 2,987	$ 2,523
Loss (gain) on disposal of securities	121	(127)
Amortization of discounts and premiums	(29)	(47)
	3,079	2,349
Proceeds from disposals of bonds and debentures:		
Government of Canada	3,502	4,330
Provinces of Canada		1,319
The City of Edmonton	4,110	
Municipalities	5	235
Corporation	250	
	7,867	5,884
Deposits to reserve deposits	3,479	3,284
	14,425	11,517
FUNDS APPLIED TO:		
Purchases of bonds and debentures:		
Government of Canada	2,096	1,640
The City of Edmonton	4,320	2,139
	6,416	3,779
Withdrawals from reserve deposits	1,033	1,753
Increase in working capital	6,976	5,985
	$14,425	$11,517
Changes in Working Capital:		
Increase in current assets	$ 6,976	$ 5,655
Decrease in current liabilities		330
Increase in working capital	$ 6,976	$ 5,985

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 1984

The City of Edmonton maintains the Reserves Fund to finance the specified activities summarized on the Schedule of Deposits and Equity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Amortization of Premiums and Discounts
Bond and debenture premiums and discounts are amortized on a straight line basis over the term of the issue

(b) Distribution of Net Earnings
Net earnings are distributed to reserve deposits and The City of Edmonton equity account based on their proportionate share of the total assets.

(c) Adjustment to Market
The adjustment to value bonds and debentures at market value is applied directly to The City of Edmonton equity account.

2. BONDS AND DEBENTURES :

	Par Value	Market Value		Amortized Cost	
	1984	1984	1983	1984	1983
Government of Canada	$ 140,000	$ 138,700	$1,419,575	$ 138,408	$1,417,500
The City of Edmonton	3,402,000	3,198,336	2,999,906	3,333,909	3,352,997
Other municipalities and school districts	20,000	19,270	20,500	18,317	22,274
Corporations	450,000	362,175	600,513	386,296	626,915
Total	$4,012,000	$3,718,481	$5,040,494	$3,876,930	$5,419,686

AUDITORS' REPORT

To His Worship the Mayor and Council
The City of Edmonton

We have examined the statements of net assets of The Pension Fund of The City of Edmonton which is comprised of the Pension Investment Fund and its six member funds: the Annuity Fund, Police Supplementary Pension Fund, Fire Supplementary Pension Fund, The City of Edmonton Supplementary Pension Plan for Employees in the Position of Fire Chief and Deputy Fire Chief, Group Life Insurance Fund, and the General Pension Fund as at December 31, 1984 and the statements of changes in net assets for each aforementioned fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the net assets of The Pension Fund of The City of Edmonton as at December 31, 1984 and the changes therein for the year then ended in accordance with accounting principles, as set out in note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

Edmonton, Canada
March 22, 1985

Peat, Marwick, Mitchell & Co.
Chartered Accountants

PENSION INVESTMENT FUND STATEMENT OF NET ASSETS

December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Cash	**$ 10**	$ 302
Accrued interest on investments	**782**	630
Accounts receivable	**81**	915
Short-term investments, at cost	**10,881**	2,094
Bonds and debentures, at market value (note 2)	**17,539**	17,139
Common and preferred shares, at market value (note 2)	**12,380**	16,863
Mortgages, at market value (note 2)	**609**	760
	42,282	38,703
Less liabilities:		
Accounts payable	**40**	454
Note payable — City of Edmonton	**10,995**	
	11,035	454
Net assets (note 1c)	**$31,247**	$38,249

See accompanying notes to financial statements.

PENSION INVESTMENT FUND STATEMENT OF CHANGES IN NET ASSETS

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Net cash flow of:		
Annuity Fund	$ 2.276	$ (682)
Police Supplementary Pension Fund	(151)	(121)
Fire Supplementary Pension Fund	993	985
Fire Chief/Deputy Fire Chief Supplementary Pension Fund	(2)	4
Group Life Insurance Fund	(1)	(11)
General Pension Fund	(12.749)	(23)
	(9.634)	152
Investment income:		
Interest from short term investments (net)	867	986
Bonds and debentures:		
Interest	1.913	1.577
Capital appreciation (depreciation)	45	(546)
Common and preferred shares:		
Dividends	537	426
Capital appreciation (depreciation)	(737)	2.100
Mortgages:		
Interest	50	65
Capital appreciation	42	96
Mortgage fees	(3)	(4)
	2.714	4.700
Less investment expenses:		
Investment counselling fees	67	73
Administration	15	15
	82	88
Net investment income	2.632	4.612
Increase (decrease) in net assets	(7.002)	4.764
Net assets, beginning of year	38.249	33.485
Net assets, end of year (note 1c)	$31.247	$38.249

See accompanying notes to financial statements.

ANNUITY FUND STATEMENT OF NET ASSETS

December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Units of Pension Investment Fund (note 1c)	$ 4,031	$ 1,616
Accounts receivable	2	2
Net assets	$ 4,033	$ 1,618

See accompanying notes to financial statements.

ANNUITY FUND STATEMENT OF CHANGES IN NET ASSETS

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Contributions The City of Edmonton	$ 27	$ 29
Transfer from General Pension Fund (note 3a)	2,930	
Investment income of Pension Investment Fund allocated to Annuity Fund	138	241
	3,095	270
Less: Pension payments	673	708
Administrative expenses	7	
	680	708
Increase (decrease) in net assets	2,415	(438)
Net assets, beginning of year	1,618	2,056
Net assets, end of year	$ 4,033	$ 1,618

See accompanying notes to financial statements.

POLICE SUPPLEMENTARY PENSION FUND STATEMENT OF NET ASSETS

December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Units of Pension Investment Fund (note 1c)	$ 1.941	$ 1,958
Less accounts payable		19
Net assets	$ 1.941	$ 1,939

See accompanying notes to financial statements.

POLICE SUPPLEMENTARY PENSION FUND STATEMENT OF CHANGES IN NET ASSETS

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Net investment income of Pension Investment Fund allocated to Police Supplementary Pension Fund	$ 133	$ 245
Less: Pension payments	131	140
Increase in net assets	2	105
Net assets, beginning of year	1.939	1,834
Net assets, end of year	$ 1.941	$ 1,939

See accompanying notes to financial statements.

FIRE SUPPLEMENTARY PENSION FUND STATEMENT OF NET ASSETS

December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Units of Pension Investment Fund (note 1c)	**$13,073**	$11,157
Contributions receivable	**12**	15
	13,085	11,172
Less accounts payable		16
Net assets	**$13,085**	$11,156

See accompanying notes to financial statements.

FIRE SUPPLEMENTARY PENSION FUND STATEMENT OF CHANGES IN NET ASSETS

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Contributions:		
Employees	**$ 378**	$ 344
The City of Edmonton	**1,001**	986
Net investment income of Pension Investment Fund allocated to Fire Supplementary Pension Fund	**923**	1,282
	2,302	2,612
Less: Pension payments	**369**	329
Withdrawals of contributions	**3**	13
Administrative expenses	**1**	16
	373	358
Increase in net assets	**1,929**	2,254
Net assets, beginning of year	**11,156**	8,902
Net assets, end of year	**$13,085**	$11,156

See accompanying notes to financial statements.

SUPPLEMENTARY PENSION PLAN FOR EMPLOYEES IN THE POSITION OF FIRE CHIEF AND DEPUTY FIRE CHIEF STATEMENT OF NET ASSETS

December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Units of Pension Investment Fund (note 1c)	$ 79	$ 75

See accompanying notes to financial statements.

SUPPLEMENTARY PENSION PLAN FOR EMPLOYEES IN THE POSITION OF FIRE CHIEF AND DEPUTY FIRE CHIEF STATEMENT OF CHANGES IN NET ASSETS

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

Contributions:		
Employees	$ 2	$ 2
The City of Edmonton	3	3
Net investment income of Pension Investment Fund allocated to Fire Chief/Deputy Fire Chief Fund	6	9
	11	14
Less: Pension payments	7	1
Increase in net assets	4	13
Net assets, beginning of year	75	62
Net assets, end of year	$ 79	$ 75

See accompanying notes to financial statements.

GROUP LIFE INSURANCE FUND STATEMENT OF NET ASSETS

December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Units of Pension Investment Fund (note 1c)	$ 55	$ 53

See accompanying notes to financial statements.

GROUP LIFE INSURANCE FUND STATEMENT OF CHANGES IN NET ASSETS

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Net investment income of Pension Investment Fund allocated to Group Life Insurance Fund	$ 3	$ 7
Less: Life insurance benefits paid	1	10
Increase (decrease) in net assets	2	(3)
Net assets, beginning of year	53	56
Net assets, end of year	$ 55	$ 53

See accompanying notes to financial statements.

GENERAL PENSION FUND STATEMENT OF NET ASSETS

December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Units of Pension Investment Fund (note 1c)	**$12,068**	$23,390
Less due to Local Authorities Pension Plan	**2**	11
Net assets	**$12,066**	$23,379

See accompanying notes to financial statements.

GENERAL PENSION FUND STATEMENT OF CHANGES IN NET ASSETS

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Net investment income of Pension Investment Fund allocated to General Pension Fund	**$ 1,426**	$ 2,829
Less:		
Payments on account of liability to Local Authority Pension Plan	**7**	11
Settlement of Pension Fund litigation (note 4)	**12,205**	
Litigation costs (note 4)	**508**	
Professional fees	**19**	
Increase (decrease) in net assets	**(11,313)**	2,818
Net assets, beginning of year	**23,379**	20,561
Net assets, end of year	**$12,066**	$23,379

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 1984

1. SIGNIFICANT ACCOUNTING POLICIES:

a) The financial statements of The Pension Fund of The City of Edmonton, prepared on a unitized basis, consist of the Pension Investment Fund and six member funds. The six member funds are the:

i) Annuity Fund;
ii) Police Supplementary Pension Fund;
iii) Fire Supplementary Pension Fund;
iv) Fire Chief/Deputy Fire Chief Supplementary Pension Fund;
v) Group Life Insurance Fund; and
vi) General Pension Fund.

These financial statements show only the position of the net assets under the control of Trustees of The City of Edmonton Pension Fund, and do not purport to show the adequacy of the fund to meet the obligations to the participants in The City of Edmonton pension plans.

b) The accounts of the Pension Investment Fund include the following:

i) assets, consisting primarily of cash, investments and accounts receivable relating to investments all of which are administered on behalf of member funds;
ii) liabilities, consisting primarily of accounts payable relating to investments administered on behalf of member funds;
iii) sources of net assets, consisting primarily of the positive cash flow of member funds and investment income; and
iv) uses of net assets, consisting primarily of the negative cash flow of member funds and investment expenses.

The accounts of the member funds include the following:

i) assets consisting primarily of units of the Pension Investment Fund and accounts receivable;
ii) liabilities consisting primarily of accounts payable;
iii) sources of net assets consisting primarily of employee pension contributions, City of Edmonton contributions and a proportionate share of the net investment income of the Pension Investment Fund; and
iv) uses of net assets consisting primarily of pensions paid and payments or repayments of contributions to employees or others.

c) Units of the Pension Investment Fund were allocated to certain member funds in proportion to their interest in the Pension Investment Fund as of January 1, 1972, the starting date for the unitization process, at an initial value of $10 per unit. Subsequently, units have been allocated quarterly to member funds based on their respective cash flows at a unit value calculated by reference to the market value of the net assets of the Pension Investment Fund and the number of units outstanding.

The units of the Pension Investment Fund held by member funds and the respective share of Pension Investment Fund net assets represented by these units at December 31, 1984 (value per unit $32.388722) and 1983 (value per unit $30.139960) are as follows:

	Units		Amount	
	1984	1983	**1984**	1983
Annuity Fund	**124,450.51**	53,614.86	**$ 4,030,793**	$ 1,615,949
Police Supplementary Pension Fund	**59,920.46**	64,971.89	**1,940,747**	1,958,250
Fire Supplementary Pension Fund	**403,645.72**	370,173.89	**13,073,569**	11,157,026
Fire Chief/Deputy Fire Chief Supplementary Pension Fund	**2,430.29**	2,484.16	**78,714**	74,872
Group Life Insurance Fund	**1,710.66**	1,748.34	**55,407**	52,695
General Pension Fund	**372,594.54**	776,059.94	**12,067,861**	23,390,414
	964,752.18	1,269,053.08	**$31,247,091**	$38,249,206

NOTES TO FINANCIAL STATEMENTS — continued

December 31, 1984

2. INVESTMENTS:

Investments, excluding short-term investments, consist of:

	Market Value		Cost	
	1984	1983	**1984**	1983
Bonds:				
Government of Canada	**$17,539,271**	$16,708,564	**$17,093,132**	$16,981,970
Provinces of Canada		351,088		463,562
Debentures:				
Corporate		79,500		97,314
	$17,539,271	$17,139,152	**$17,093,132**	$17,542,846
Common and preferred shares	**$12,379,952**	$16,862,897	**$11,634,018**	$14,470,969
Mortgages	**$ 608,547**	$ 760,000	**$ 607,704**	$ 800,831

The market value of mortgages is a calculated amount based upon the relationship of current mortgage interest rates and the mortgage rates in the investment portfolio.

3. ACTUARIAL SURPLUSES AND DEFICIENCIES:

a) **Annuity Fund:**
An actuarial valuation of this fund as of December 31, 1983 disclosed an unfunded liability of approximately $2,000,000. As a result of the settlement of the General Pension Fund litigation (note 4), $2,929,520 was transferred to the Annuity Fund in 1984 which satisfied the unfunded liability determined by the actuarial valuation of December 31, 1983.

b) **Police Supplementary Pension Fund:**
An actuarial valuation performed as of December 31, 1979 disclosed this fund to be fully funded.

c) **Fire Supplementary Pension Fund:**
Based on the most recent actuarial valuation as of June 30, 1983 the Fire Supplementary Pension fund had an aggregate unfunded liability, amounting to approximately $14,725,000. Of this amount $1,957,400 is being funded through annual special payments of $332,664 to the year 1992. The funding for the remaining balance is uncertain at this date.

d) **Fire Chief/Deputy Fire Chief Supplementary Pension Fund:**
An actuarial valuation as of January 1, 1980 disclosed an unfunded liability of $39,453. Subsequent to the valuation, this amount was funded.

e) **Group Life Insurance Fund:**
As of December 31, 1984, an amount of $18,745 was determined to be the amount required to pay future beneficiaries from this fund. The net assets of the Group Life Insurance Fund as of December 31, 1984 amounted to $55,407 indicating an excess in this fund of $36,662.

4. GENERAL PENSION FUND LITIGATION SETTLEMENT:

At the time of transfer of the General Pension Fund to the Local Authorities Pension Plan approximately $10,000,000 was not transferred. This amount related primarily to employers' contributions prior to the date of transfer. Certain employee associations commenced legal action for the recovery of these funds together with the investment earnings attributed to them. This litigation was settled in 1984. The amounts remaining in this fund represent the undistributed portion of the funds awarded to the employers.

THE CITY OF EDMONTON

BOARDS — FINANCIAL STATEMENTS

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Edmonton Northlands
Edmonton Northlands, formerly The Edmonton Exhibition Association Limited, is a non-profit company incorporated under the Laws of Alberta. It has authorized 300 shares and issued 200 shares. No dividends or profits shall be paid to any of the shareholders of the company.

Because The City of Edmonton owns the land on which all the Edmonton Northlands properties are situated, all buildings and improvements situated thereon are the properties of The City of Edmonton.

The Edmonton Public Library Board
The Edmonton Public Library Board operates under the Libraries Act (Provincial Statute). The Board consists of nine members of whom two are Aldermen. The Board exercises general management, regulations and control of the Library.

The City of Edmonton uses taxes to provide operating funds and as required with the approval of the Local Authorities Board borrows money to finance capital expenditures. The City's financial statements reflect the operations of the Library.

Royal Alexandra Hospital Board
The Royal Alexandra Hospital Board consists of the Mayor and three Aldermen.

As The City of Edmonton owns the land on which the hospital is situated, all buildings and improvements are the property of the City. The City, with the approval of the Local Authorities Board, borrows funds for capital programs.

The City's financial statements only include the assets of the Royal Alexandra Hospital equivalent to the outstanding debenture borrowings. All debt servicing is recovered from the Provincial Government.

The Edmonton Public School District No. 7
The Edmonton R.C. Separate School District No.7
School Administration is completely independent from the City Council and subject to control by the Provincial Government pursuant to the provisions of the School Act.

The School Boards establish their own budgets for current and capital expenditures and have the power with the approval of the Local Authorities Board to borrow money.

The only relationship between these two boards and The City of Edmonton is that the City is obligated to provide funds raised by taxes deemed necessary by the School Boards.

The Edmonton Local Board of Health
The Local Board of Health operates under the Public Health Act with one alderman serving as a member of the Board.

The Board operates independently from the City. The City's only financial involvement is to show the assets of the Board equal to the outstanding debenture debt for which servicing costs are recovered from the Provincial Government.

AUDITORS' REPORT

To the Shareholders of
Edmonton Northlands:

We have examined the balance sheet of Edmonton Northlands as at September 30, 1984 and the statements of reinvested earnings, income and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Edmonton Northlands as at September 30, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the changes in accounting for income from the Western Canada Lottery Alberta Division and the amortization of the City of Edmonton contribution for property for expansion, as explained in Note 3 to the financial statements, on a basis consistent with that of the preceding year.

Edmonton, Canada
November 15, 1984

Clarkson Gordon
Chartered Accountants

BALANCE SHEET

September 30, 1984 (with comparative figures at September 30, 1983)
(in thousands of dollars)

	1984	1983
ASSETS		
Current:		
Cash and short-term investments	$ 2,389	$ 2,753
Accounts receivable	1,006	754
Due from Province of Alberta	1,986	1,930
Due from Government of Canada	5,250	5,250
Equity in Western Canada Lottery Alberta Division (Note 8)	323	775
Inventories	205	183
Prepaid expenses and deposits	553	599
Total current assets	11,712	12,244
Fixed assets (Note 4)	71,493	64,192
	$83,205	$76,436
LIABILITIES AND EQUITY		
Current:		
Accounts payable and accrued charges	$ 5,484	$ 6,645
Accrued interest on long-term debt	485	493
Construction holdbacks payable	88	3,989
Current portion of long-term debt	1,383	329
Total current liabilities	7,440	11,456
Long-term debt (Note 5)	20,610	10,937
Deferred revenue	182	213
Contingencies (Note 9)		
Contributions for expansion of facilities and capital debt retirement (Notes 3 and 6)	44,078	41,112
Equity:		
Capital —		
Authorized:		
300 shares of $5 each (Note 1)		
Issued:		
200 shares	1	1
Reinvested earnings (Note 3)	10,894	12,717
	10,895	12,718
	$83,205	$76,436

(The accompanying notes are an integral part of the financial statements)

STATEMENT OF INCOME

For the Year Ended September 30, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	Revenue		Direct Expenses		Operating Income (Loss)	
	1984	1983	**1984**	1983	**1984**	1983
Facilities	**$ 9.497**	$ 7.681	**$ 8.090**	$ 6.802	**$ 1.407**	$ 879
Concessions	**4.179**	3.574	**2.974**	2.465	**1.205**	1.109
Lounges and dining facilities	**4.236**	3.825	**3.553**	3.102	**683**	723
Agriculture	**183**	198	**688**	676	**(505)**	(478)
Rodeos	**715**	708	**775**	713	**(60)**	(5)
Thoroughbred racing	**6.682**	7.785	**6.854**	7.666	**(172)**	119
Harness racing	**6.793**	4.135	**7.062**	4.407	**(269)**	(272)
Klondike Days	**4.593**	5.081	**4.232**	3.922	**361**	1.159
Northlands sponsored events	**1.537**	441	**2.857**	447	**(1.320)**	(6)
	38.415	33.428	**37.085**	30.200	**1.330**	3.228
Less internal rental revenue and expenses	**(3.176)**	(2.528)	**(3.176)**	(2.528)		
	$35.239	$30.900	**$33.909**	$27.672	**1.330**	3.228
Indirect expenses, depreciation and amortization						
Administration					**1.475**	1.317
Interest expense net of interest income (Note 7)					**1.824**	660
Contributions to other groups					**204**	44
Community relations					**275**	41
Depreciation					**2.346**	1.626
Amortization of contributions for expansion of facilities and capital debt retirement					**(1.600)**	(1.300)
					4.524	2.388
Operating income (loss)					**(3.194)**	840
Province of Alberta grants and contributions					**1.270**	1.239
Refund of excess contributions to previous pension plan					**101**	
					1.371	1.239
Net income (loss)					**$ (1.823)**	$ 2.079

(The accompanying notes are an integral part of the financial statements)

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Year Ended September 30, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Working capital provided by:		
Operations		
Net income (loss)	$ (1,823)	$ 2,079
Add (deduct) items not affecting working capital:		
Depreciation	2,346	1,626
Amortization of contributions	(1,600)	(1,300)
Deferred revenue	(30)	(30)
Working capital provided by (used for) operations	(1,107)	2,375
Contributions for expansion of facilities and capital debt retirement	4,565	10,918
Increase in long-term debt	9,673	2,229
Proceeds on disposals of fixed assets		25
	13,131	15,547
Working capital applied to:		
Additions to fixed assets	9,647	18,455
Increase (decrease) in working capital	3,484	(2,908)
Working capital, beginning of year	788	3,696
Working capital, end of year	$ 4,272	$ 788
Represented by:		
Current assets	$11,712	$12,244
Current liabilities	7,440	11,456
	$ 4,272	$ 788

(The accompanying notes are an integral part of the financial statements)

STATEMENT OF REINVESTED EARNINGS

For the Year Ended September 30, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Reinvested earnings, beginning of year:		
As previously reported	$23,392	$19,571
Deduct adjustment to reflect changes in accounting for certain capital grants and contributions (Note 3)	(10,675)	(8,933)
As restated	12,717	10,638
Net income (loss) for the year	(1,823)	2,079
Reinvested earnings, end of year	$10,894	$12,717

(The accompanying notes are an integral part of the financial statements)

NOTES TO FINANCIAL STATEMENTS

September 30, 1984

INTRODUCTION

Edmonton Northlands, formerly The Edmonton Exhibition Association Limited which was incorporated in 1908, is the successor to The Edmonton Agricultural Society of 1879 and The Edmonton Industrial Exhibition Association of 1899. Its purpose is to provide programs and facilities to benefit the residents of Northern Alberta in the fields of Agriculture, Trade Shows and Exhibitions, Entertainment and Community Service. The Company's 200 members, along with associate directors and other volunteers, provide the impetus and volunteer assistance that enable it to achieve its objectives. The Company is exempt from income tax, it cannot pay dividends to its members, the shares cannot appreciate in value and its members and directors do not receive any fee for their services.

Reinvested earnings of the Company are invested in its facilities. The Company is qualified under the provisions of the Alberta Agriculture Societies Act and receives substantial funding from the Province of Alberta by way of grants and loan guarantees. Assistance has also been received from the Government of Canada by way of grants and loans, and from the City of Edmonton, primarily for land acquisition.

The land on which the Company's facilities are located is held in the name of the City of Edmonton and leased to the Company under a lease which expires in 1999. If the lease is not renewed or extended, the buildings and improvements on the leased lands will revert to the City of Edmonton. The amount of the annual lease rental is subject to periodic review and is currently under discussion with the City as referred to in Note 9.

1. NAME CHANGE AND INCREASE IN AUTHORIZED SHARE CAPITAL

The name of the Company was changed to Edmonton Northlands and its authorized share capital increased from 200 to 300 shares as part of the reorganization which took place in November 1983.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared by management in accordance with generally accepted accounting principles described in this note which have been consistently applied after giving retroactive effect to the changes in accounting for income from the Western Canada Lottery Alberta Division and the amortization of the City of Edmonton contribution for expansion as explained in Note 3. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement in light of the information available up to November 15, 1984. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Fixed assets and depreciation

Fixed assets are recorded at cost and, except for land and properties acquired for future expansion, are depreciated on the straight-line basis over the estimated useful lives of the assets as set out below. No depreciation is recorded on construction in progress until such time as the assets are substantially complete.

Assets	Useful life
Coliseum and AgriCom	50 years
Other buildings	25 years
Equipment	3 to 10 years

Interest on borrowings in respect of capital projects is expensed, except where carrying costs form an integral part of construction contracts. Interest capitalized in 1984 amounted to $66,284 (1983 - $78,553).

Inventories

Inventories are valued at the lower of cost and net realizable value.

Grants and contributions

Grants and contributions are recognized at the earliest of the date of commitment by the grantor or upon receipt by the Company. Amounts designated for capital purposes, including the acquisition of property for expansion, construction of facilities or retirement of capital debt, are credited to "Contributions for expansion of facilities and capital debt retirement" and amortized into income each year on the same basis as the related assets. Amounts designated for capital purposes which are used to pay interest on capital debt are applied to reduce interest costs. Other grants and contributions not specifically designated for capital purposes are included in income.

Deferred revenues

Revenues received which relate to future periods are deferred and brought into income over the term of the related agreements.

September 30, 1984

Leases

Leases which transfer substantially all the benefits and risks of ownership of the leased asset to the Company are capitalized at the present value of the payments expected to be made under the lease. Capitalized leased assets are depreciated over their useful lives on a basis consistent with owned assets.

Revenue and expenses

The revenue and expenses recorded in these statements reflect only the amounts actually attributable to the Company. Amounts received or disbursed on behalf of third parties are not reflected.

Internal rental revenue and expenses represent inter-departmental charges for services provided and used between the departments. These charges are determined by management to represent external market conditions and are applied on a basis consistent with the previous year.

3. CHANGES IN ACCOUNTING POLICIES

a) Share of income of Western Canada Lottery Alberta Division

During the year the Company changed its method of accounting for its share of income of the Western Canada Lottery Alberta Division. As this income is designated for capital purposes, including capital expenditures and interest costs on capital debt, it was concluded that it would be more appropriate to treat the amounts used for capital expenditures as grants and contributions which are amortized into income each year on the same basis as the related assets, rather than being included directly in income.

b) City of Edmonton contribution for property for expansion

The City of Edmonton contributions totalling $3,700,000 which were received in prior years were previously amortized into income over the remaining term of the lease with the City. As these funds were used to finance property acquisitions which are not depreciated, it was decided during the year to discontinue amortizing the contribution into income.

These changes in accounting policies have been applied retroactively and the prior year's financial statements restated. As a result, reinvested earnings have decreased and contributions for expansion of facilities and capital debt retirement have increased at September 30, 1983 and 1982 as follows:

	1983	1982
Change in accounting for income from Western Canada Lottery Alberta Division	$ 9,652,450	$ 8,077,474
Change in amortization policy on City of Edmonton contribution	1,023,013	855,701
Reduction in reinvested earnings and increase in contributions for expansion of facilities and capital debt retirement	$10,675,463	$ 8,933,175

Net income for the years ended September 30, 1984 and 1983 decreased as follows as a result of these changes:

	1984	1983
Change in accounting for income from Western Canada Lottery Alberta Division	**$ 2,204,674**	$ 1,574,976
Change in amortization policy on City of Edmonton contribution	**167,312**	167,312
Reduction in net income	**$ 2,371,986**	$ 1,742,288

NOTES TO FINANCIAL STATEMENTS — continued

September 30, 1984

4. FIXED ASSETS

The details of fixed assets at September 30, are as follows:

	1984			1983
	Cost	**Accumulated depreciation**	**Net book value**	Net book value
Coliseum	**$15,955,128**	**$ 6,916,148**	**$ 9,038,980**	$ 9,270,714
AgriCom	**39,060,819**	**781,216**	**38,279,603**	
Other buildings and improvements	**27,275,028**	**12,456,380**	**14,818,648**	14,071,269
Equipment	**4,019,022**	**2,391,474**	**1,627,548**	1,989,430
Properties acquired for future expansion	**7,633,653**		**7,633,653**	7,632,888
Construction in progress	**94,779**		**94,779**	31,227,938
	$94,038,429	**$22,545,218**	**$71,493,211**	$64,192,239

5. LONG-TERM DEBT

	1984	1983
Government of Canada loan due December 31, 2004, interest rate 8.595%, annual instalments of $469,324 principal and interest	**$ 4,493,400**	$ 4,569,908
Government of Canada loan due December 31, 2004, interest rate 9.025%, annual instalments of $311,662 principal and interest	**2,890,700**	2,937,305
Term bank loan (interim financing in 1983) for the AgriCom, non-revolving, due April 30, 1999, interest at prime payable monthly, annual principal instalment of $990,000	**13,675,000**	2,550,000
Demand bank loan, interest at prime plus ½ of 1% payable monthly, annual principal instalments of $225,000	**900,000**	1,125,000
Obligation under capital lease	**34,300**	83,444
	21,993,400	11,265,657
Less amounts due within one year	**1,383,200**	328,500
	$20,610,200	$10,937,157

As general collateral security for bank loans, the bank holds the lease of land from the City of Edmonton and a registered general assignment of book debts. As specific security for the term bank loan for the AgriCom, the bank holds a guarantee of the Government of the Province of Alberta for an amount not to exceed $17,500,000, and assignments of the annual debt retirement grant and income from the Western Canada Lottery Alberta Division.

The Government of Canada loans are secured by guarantees of the Government of the Province of Alberta.

Principal payments required over the next five years are as follows: 1985 - $1,383,200; 1986 - $1,360,600; 1987 - $1,373,400; 1988 - $1,387,200 and 1989 - $1,177,300.

NOTES TO FINANCIAL STATEMENTS — continued

September 30, 1984

6. CONTRIBUTIONS FOR EXPANSION OF FACILITIES AND CAPITAL DEBT RETIREMENT

Accumulated contributions received less amounts amortized are summarized as follows:

	1984	1983
Grants and contributions:		
Province of Alberta —		
Coliseum grants	$ 3,700,000	$ 3,700,000
Western Canada Lottery Alberta Division	1,850,000	1,850,000
Western Canada Lottery Foundation	3,500,000	3,500,000
Department of Agriculture AgriCom grant	7,250,000	7,250,000
Pedway grants	439,282	439,282
Parimutuel tax rebates	7,964,834	6,532,810
Other	25,000	25,000
	24,729,116	23,297,092
Western Canada Lottery Alberta Division income	15,549,365	12,416,599
Government of Canada —		
Department of Industry, Trade and Commerce	7,250,000	7,250,000
Loto Canada	1,850,000	1,850,000
	9,100,000	9,100,000
City of Edmonton	3,700,000	3,700,000
Total grants and contributions received	53,078,481	48,513,691
Accumulated amortization	9,000,621	7,401,053
Unamortized grants and contributions	$44,077,860	$41,112,638

These contributions have been used to finance the acquisition of fixed assets as follows:

	1984		1983	
	Total Contributions	Unamortized Amount	Total Contributions	Unamortized Amount
Coliseum	$11,725,071	$ 7,758,724	$11,725,071	$ 7,952,690
AgriCom	20,671,246	20,257,820	17,859,222	17,859,222
Other buildings and improvements	12,904,166	9,958,778	11,664,038	9,190,146
Equipment	3,176,998	1,501,538	2,664,360	1,509,580
Properties acquired for future expansion	4,601,000	4,601,000	4,601,000	4,601,000
	$53,078,481	$44,077,860	$48,513,691	$41,112,638

7. INTEREST EXPENSE

The Company has recorded interest expense net of interest revenues earned as follows:

	1984	1983
Interest expense:		
Long-term debt	$1,962,499	$ 806,818
Current debt	99,982	141,333
Assets under capital lease	7,058	8,798
Total interest expense	2,069,539	956,949
Interest income:		
Term deposits and other	245,800	297,083
Interest expense net of interest income	$1,823,739	$ 659,866

NOTES TO FINANCIAL STATEMENTS — continued

September 30, 1984

8. WESTERN CANADA LOTTERY ALBERTA DIVISION

Effective May 15, 1974, Edmonton Northlands and the Calgary Exhibition and Stampede formed a partnership for the purpose of conducting and operating a continuing lottery to be marketed throughout the Province of Alberta in accordance with the provisions of the Western Canada Lottery Foundation. Under the terms of the partnership agreement, the net profits of the Lottery are divided in accordance with the Provincial Lottery License. The license provides that the proceeds through the Lottery are to be used by Foundations with province-wide impact in amateur sport and cultural development, as well as capital projects of Edmonton Northlands and the Calgary Exhibition and Stampede that are of benefit to the citizens of Northern Alberta and Southern Alberta respectively.

Effective April 1, 1984 the license provides such that each partner's share of income from Western Canada Lottery Alberta Division is restricted to 15% of net income up to a maximum of $2,750,000. The Company's share of income for the 1984 fiscal year was $3,132,766 and for the 1983 fiscal year, $2,411,500. These funds were designated and used for capital purposes in accordance with the terms of the license.

9. CONTINGENCIES

During the 1984 fiscal year The City of Edmonton issued notices to Edmonton Northlands for substantial property and business taxes for 1983 and 1984, for increased lease rentals for 1984 and subsequent years and demanded payment of a portion of Northlands' reinvested earnings to the City. These financial demands are very significant relative to Northlands financial position. Northlands has filed Notices of Objection in respect of all taxes levied and has disputed the right of the City to claim increased lease rentals and payment of a portion of its reinvested earnings. The City of Edmonton has also filed a Statement of Claim for a declaration that the Northlands' reorganization undertaken in 1983 is invalid. A Statement of Defence has been filed by Northlands in support of its position.

Discussions are presently taking place between representatives of the City and Northlands with a view to settling these disputes. No provision has been made for the amounts, if any, which may have to be paid to the City, as the outcome of the discussions cannot be determined at this time. Any settlement which may occur will be accounted for as an adjustment of prior years' reinvested earnings.

AUDITORS' REPORT

To the Chairman and Members of
The Edmonton Public Library Board

We have examined the balance sheet of the Edmonton Public Library Board as at December 31, 1984 and the statements of revenue and expenditures, surplus and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Edmonton Public Library Board as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles set out in the summary of significant accounting policies applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.
Chartered Accountants

Edmonton, Canada
March 15, 1985

THE CITY OF EDMONTON

THE EDMONTON PUBLIC LIBRARY BOARD

BALANCE SHEET

December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
ASSETS		
Current assets:		
Cash and term deposits	**$ 708**	$2,368
Due from The City of Edmonton	**376**	
Accounts receivable	**4**	10
Grant receivable from Province of Alberta		35
Prepaid expenses	**150**	132
Investment with The City of Edmonton Reserve Fund	**40**	310
Total current assets	**1,278**	2,855
Fixed assets:		
Land, buildings and equipment at cost less accumulated depreciation	**3,975**	4,353
	$5,253	$7,208
LIABILITIES AND SURPLUS		
Current liabilities:		
Accounts payable and other liabilities	**$ 115**	$ 71
Unexpended grants and donations	**49**	39
Due to The City of Edmonton		281
Accrued interest on debentures	**118**	158
Total current liabilities	**282**	549
Debentures payable (note 2)	**3,975**	4,053
Due to The City of Edmonton — long-term		300
Surplus	**3,975**	4,353
Commitments (note 3)	**996**	2,306
	$5,253	$7,208

See accompanying notes to financial statements.

STATEMENT OF REVENUE AND EXPENDITURES

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
REVENUE:		
Grants:		
The City of Edmonton	$10,245	$10,245
Province of Alberta	2,160	2,158
Fines and charges	483	444
Interest	121	172
Rental of premises	50	50
Other	151	163
Total revenue	13,210	13,232
EXPENDITURES:		
Salaries, wages and employee benefits	7,425	6,830
Maintenance of properties	1,403	1,608
Books and library materials	1,549	1,605
Supplies	1,133	1,036
Property rentals	929	794
Debenture interest charges	299	310
Depreciation	378	273
Bookmobile and trailer operations	18	24
Total expenditures	13,134	12,480
Excess of revenue over expenditures	$ 76	$ 752

See accompanying notes to financial statements.

STATEMENT OF SURPLUS

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Unallocated surplus:		
Balance, beginning of year	**$1,363**	$1,331
Excess of revenue over expenditures	**76**	752
Transfer to capital projects surplus	**(135)**	(720)
Transfer to The City of Edmonton	**(819)**	
Balance, end of year	**485**	1,363
Surplus allocated for capital projects:		
Balance, beginning of year	**336**	
Interest income on capital projects surplus	**20**	
Transfer from unallocated surplus	**135**	720
Expenditures during the year:		
Castle Downs branch	**(64)**	(75)
Mill Woods branch	**(149)**	(170)
Highlands branch	**(33)**	
Main Library renovations	**(75)**	(139)
Main Library automation	**(26)**	
Balance, end of year	**144**	336
Surplus allocated for Library system:		
Balance, beginning of year	**297**	281
Interest income on Library system surplus	**30**	16
Balance, end of year	**327**	297
Carnegie Fund surplus:		
Balance, beginning of year	**310**	280
Interest income on Carnegie Fund surplus	**21**	30
Expenditures during the year:		
Strathcona renovations	**(291)**	
Balance, end of year	**40**	310
Total surplus, end of year	**$ 996**	$2,306

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Funds provided from:		
Operations:		
Excess of revenue over expenditures	$ 76	$ 752
Add item not requiring an outlay of funds:		
Depreciation	378	273
Funds provided from operations	454	1,025
Proceeds from debentures		535
Proceeds from The City of Edmonton — long-term		300
Interest income on capital projects surplus	20	
Interest income on Library system surplus	30	15
Interest income on Carnegie Fund surplus	21	30
Total funds provided	525	1,905
Funds applied to:		
Purchase of fixed assets		835
Repayment of debentures — principal	378	273
Expenditures from surplus allocated for capital projects	347	383
Expenditures from Carnegie Fund surplus	291	
Transfer to The City of Edmonton	819	
Total funds applied	1,835	1,491
Increase (decrease) in working capital	(1,310)	414
Working capital, beginning of year	2,306	1,892
Working capital, end of year	$ 996	$2,306

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 1984

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Operations:
The Edmonton Public Library Board operates under the authority of The Libraries Act of Alberta and it is administered by a separate board which reports to The City of Edmonton. It operates a number of public libraries and bookmobiles throughout The City of Edmonton and derives its revenues from its library operations and grants from The City of Edmonton and the Province of Alberta.

(b) Fixed assets:
In accordance with accounting policies followed by municipal organizations, fixed assets acquired through debenture borrowing are carried at their original cost less accumulated depreciation. The annual depreciation charge equals the annual principal payment of the debenture debt.

Other fixed assets acquired are expensed in the year of acquisition.

(c) Revenue recognition:
Library fines and charges are recorded on a cash basis.

(d) Allocated surpluses:
Amounts have been appropriated from general surplus to fund the cost of specified expansion of library facilities, including the initial purchase of books, supplies, furniture and improvements.

The actual expenditures are charged directly to the surplus accounts in the year in which they are incurred.

(e) Government grants:
Certain government grants which are used to fund specific programs are applied against the costs of those programs.

(f) Interest on surplus accounts:
Interest earned on the surplus account funds is recorded within the respective surplus accounts.

2. DEBENTURES PAYABLE:

At December 31, 1984 the Board has outstanding debentures payable in the amount of $3,974,982 at varying interest rates between 5.75% and 16%. The debentures issued to date are eligible for an Alberta Government interest rebate which reduces the effective interest rate to 11% per year. The payments shown below do not reflect the effect of the rebate.

The Board is committed to the following principal and interest payments for the next five years:

Year	Principal	Interest	Total
1985	$459,995	$416,030	$876,025
1986	504,934	371,091	876,025
1987	554,987	321,038	876,025
1988	599,350	265,219	864,569
1989	503,740	203,554	707,294

3. COMMITMENTS:

The Board is committed to the following annual lease payments for rental of buildings:

Capilano branch	$33,460 per annum to January 31, 1990.
Castle Downs branch	$46,000 per annum to April 15, 1986 with rent to be renegotiated for an additional 5 years to 1991.
Londonderry branch	$60,000 per annum to January 31, 1994.
Mill Woods branch	$68,912 per annum to April 1, 1987.
Southgate branch	$95,190 per annum to August 31, 1990.

4. COMPARATIVE FIGURES:

Certain of the 1983 comparative figures have been reclassified to conform with the current year's presentation.

AUDITORS' REPORT

To the Chairman and Members of
the Board of Governors of the
Royal Alexandra Hospitals:

We have examined the balance sheet of Royal Alexandra Hospitals as at March 31, 1984 and the following statements for the year then ended:

Integrated Fund	Statement of Unappropriated Equity Statement of Revenue and Expenses Statement of Changes in Financial Position
Endowment and Special Purpose Fund	Statement of Expendable Equity
Anderson Hall	Statement of Unappropriated Equity

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the hospitals as at March 31, 1984 and the results of their operations and the changes in their financial position for the year then ended in accordance with accounting principles generally accepted for hospitals which were applied on a basis consistent with that of the preceding year.

Edmonton, Canada
May 25, 1984

Peat, Marwick, Mitchell & Co.
Chartered Accountants

BALANCE SHEET

March 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
ASSETS		
Integrated Fund		
Operating:		
Cash and term deposits	**$ 4,387**	$
Accounts receivable and recoverable:		
Patients	**1,174**	759
Province of Alberta (note 3)	**349**	6,863
Sundry	**488**	469
Inventory of supplies — at cost	**1,292**	1,373
Prepaid expenses	**297**	328
Total operating assets	**7,987**	9,792
Funds held for capital purposes		436
Capital grants receivable — Province of Alberta	**1,143**	2,478
Total working assets	**9,130**	12,706
Buildings, land improvements and equipment (note 4)	**43,949**	42,232
	$53,079	$54,938
Endowment and Special Purpose Fund		
Cash and term deposits	**$ 2,265**	$ 2,775
Other investments — at cost	**6**	27
Student loans receivable	**19**	19
Due from The City of Edmonton	**37**	33
Accounts receivable	**33**	44
Due from Integrated Fund	**912**	286
	$ 3,272	$ 3,184
Anderson Hall		
Current assets	**$ 84**	$ 26
Due from Integrated Fund	**1**	5
Property and equipment — at cost less accumulated depreciation	**1,161**	1,184
	$ 1,246	$ 1,215

See accompanying notes to financial statements.

BALANCE SHEET

March 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
LIABILITIES AND EQUITY		
Integrated Fund		
Operating:		
Bank overdraft	$	$ 439
Demand loan		3,400
Accounts payable and accrued liabilities	8,160	6,980
Due to Anderson Hall	1	5
Due to Endowment and Special Purpose Fund	912	286
Current portion of debenture payable	56	48
Total operating liabilities	9,129	11,158
Capital holdbacks payable	132	126
Total working liabilities	9,261	11,284
Long-term debt:		
Debentures payable (note 5)	3,853	3,909
Total liabilities	13,114	15,193
Unappropriated equity	39,965	39,745
Contingency and commitment (notes 3, 6 and 7)	$53,079	$54,938
Endowment and Special Purpose Fund		
Accrued interest payable	$ 395	$ 400
Endowment equity	6	7
Expendable equity	2,871	2,777
Total equity	2,877	2,784
	$ 3,272	$ 3,184
Anderson Hall		
Accounts payable and accrued liabilities	$ 22	$ 21
Debenture payable (note 5)	929	934
	951	955
Contributed surplus	124	124
Unappropriated equity	171	136
	295	260
	$ 1,246	$ 1,215

See accompanying notes to financial statements.

INTEGRATED FUND STATEMENT OF UNAPPROPRIATED EQUITY

Year Ended March 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Balance, beginning of year	**$39,745**	$37,987
Add:		
Operating surplus for the year	**32**	
Capital grants — Province of Alberta	**2,795**	4,231
Other	**79**	74
Capital contributions from Endowment and Special Purpose Fund	**1,634**	415
	44,285	42,707
Less:		
Operating deficit for the year		263
Depreciation and amortization	**2,526**	2,294
Write off of receivable from Province of Alberta (note 3)	**1,135**	
Repayment of construction account (note 6)	**436**	
Cost of assets disposed of, retired or written off during the period (net of accumulated depreciation)	**223**	405
	4,320	2,962
Balance, end of year	**$39,965**	$39,745

See accompanying notes to financial statements.

INTEGRATED FUND STATEMENT OF REVENUE AND EXPENSES

Year Ended March 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Revenue — patient:		
Provincial Government grants		
— global payments	$ 87,614	$ 80,136
— cardiology and cardiac rehabilitation	2,966	2,734
— perinatal program	5,852	5,397
Uninsured services	4,507	3,665
Differential charges for preferred accommodation	447	447
Admitting fees	135	135
Other	19	19
	101,540	92,533
Other income:		
Provincial Government grants		
— ambulance	399	310
— medical education	935	923
— school of nursing	2,009	1,363
— other	130	500
Food services	1,630	1,595
Miscellaneous	347	312
Recoveries from other hospitals	174	148
	5,624	5,151
Total revenue and other income	107,164	97,684
Expenses:		
Salaries and wages	74,579	68,402
Employee benefits	6,786	5,251
Medical and surgical supplies	5,819	5,587
Drugs	2,830	2,424
General expenditures	17,118	16,283
Total expenses	107,132	97,947
Operating surplus (deficit) for the year	$ 32	$ (263)

See accompanying notes to financial statements.

INTEGRATED FUND STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended March 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Working funds provided:		
From (to) operations:		
Operating surplus (deficit) for year	**$ 32**	$ (263)
Capital contributions from the Endowment and Special Purpose Fund	**1,634**	415
Capital grants — Province of Alberta	**2,795**	4,231
Other	**79**	74
Total working funds provided	**4,540**	4,457
Working funds applied:		
Reduction of long-term debt	**56**	48
Acquisition of buildings, land improvements and equipment	**4,466**	4,408
Write-off of receivable from Province of Alberta (note 3)	**1,135**	
Repayment of construction account (note 6)	**436**	
Total working funds applied	**6,093**	4,456
Increase (decrease) in working funds	**(1,553)**	1
Working funds, beginning of year	**1,422**	1,421
Working funds (deficiency), end of year	**$ (131)**	$1,422

See accompanying notes to financial statements.

ENDOWMENT AND SPECIAL PURPOSE FUND STATEMENT OF EXPENDABLE EQUITY

Year Ended March 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Balance, beginning of year	$ 2,777	$ 2,580
Add:		
Parking lot revenues	892	708
Interest (note 1)	636	783
Donations and grants	425	91
Discretionary revenues (note 2)	372	
School of Nursing surplus	139	49
Universiade receipts	82	
Commission revenues	32	5
Refunds	19	32
Other	7	
	2,604	1,668
Deduct payments and appropriations:		
Capital additions	1,504	525
Parkade debenture interest	430	436
Parkade expenses	253	286
Expenditures from donation fund	89	5
Research	55	73
Parkade debenture principal	49	43
Universiade expenses	45	
Balance refunded to donors		10
Educational programs	30	1
Scholarships and awards	26	27
Vending machine expenses	15	1
Guest speakers and presentations	10	7
Termination fee		50
Other	4	7
	2,510	1,471
Balance, end of year	$ 2,871	$ 2,777

See accompanying notes to financial statements.

STATEMENT OF ENDOWMENT EQUITY

Year Ended March 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Balance, beginning of year	$ 7	$ 7
Transfer to expendable equity	1	
Balance, end of year	$ 6	$ 7

See accompanying notes to financial statements.

ANDERSON HALL STATEMENT OF UNAPPROPRIATED EQUITY

Year Ended March 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983
Unappropriated equity, beginning of year	$ 136	$ 107
Operating surplus for the year (note 1)	35	29
Unappropriated equity, end of year	$ 171	$ 136

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 1984

1. NATURE OF OPERATIONS AND FINANCIAL STATEMENT PRESENTATION

The Royal Alexandra Hospitals is a 933 bed hospital owned by The City of Edmonton. The Hospital provides a full range of hospital services for central and northern Alberta.

The financial statements are prepared on a fund basis as follows:

Integrated Fund — includes the operating and capital assets of the Hospital.

Endowment and Special Purpose Fund — represents all assets held for special purposes including assets held as endowments. Interest earned from deposits in the Integrated Fund amounting to $477,994 in 1984 ($502,949 in 1983) is recorded in the Endowment and Special Purpose Fund.

Anderson Hall — includes the assets, liabilities and equity of Anderson Hall which is a student apartment building. The income and expenses are not reflected in the Hospital's statement of revenue and expenses, but are reported on in separate audited financial statements which show an operating surplus of $34,963 in 1984 ($29,683 in 1983).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition:

Payments from the Province of Alberta are given recognition in the accounts as they are received or committed. Other revenue is recorded when earned.

An amendment to the Alberta Hospitalization Benefits Regulations defines "discretionary revenue" as (a) authorized admission charges and preferred accommodation charges in excess of the amount collected from those sources during the 1982/83 fiscal year, (b) user charges, (c) net income from ancillary operations, and (d) interest earned on investments. The regulations state that "discretionary revenue" shall not be included in revenues as disclosed on the statement of revenue and expenses.

The regulations further state that "discretionary revenue" shall be used to cover (a) operating deficits, (b) bad debts, (c) expenditures of a one-time nature that will not result in new or increased operating costs, and (d) working capital requirements.

In these financial statements "discretionary revenue" has not been included in the statement of revenue and expenses but has been included in the balance sheet as expendable equity in the endowment and special purpose fund.

(b) Capitalization policy:

Buildings, land improvements and major equipment additions are capitalized.

Original minor equipment purchases are capitalized at cost. All subsequent additions and replacements are expensed in the period of acquisition.

As fixed assets are disposed of or retired, the original cost and related accumulated depreciation of such assets is removed from the appropriate accounts and charged against unappropriated equity.

(c) Depreciation:

Depreciation on buildings, land improvements and major equipment is provided on the following basis:

Buildings	50 years	straight-line
Parking lot	10 years	straight-line
Major equipment	15 years	straight-line
Leasehold improvements	5 years	straight-line

Capital assets are funded by the Alberta Department of Hospitals and Medical Care at the time of purchase, and accordingly depreciation is not recognized as a shareable expense. It is charged directly to unappropriated equity.

3. RECEIVABLE FROM THE PROVINCE OF ALBERTA

The Hospital had recorded a receivable of $1,134,756 from the Province of Alberta for fiscal 1982 retroactive salary adjustments. The Province had indicated that it intended to offset this balance against the Hospital's 1982 operating surplus, but no final decision on this matter had been reached by the end of fiscal 1983. During fiscal 1984, it was resolved that the Province of Alberta would not reimburse the hospital for this amount.

NOTES TO FINANCIAL STATEMENTS — continued

March 31, 1984

4. BUILDINGS, LAND IMPROVEMENTS AND EQUIPMENT

All buildings and land improvements are the property of The City of Edmonton.

The major components are as follows:

	1984	1983
Buildings:		
Parkade and incinerator facilities	**$11,652,483**	$11,652,483
General hospital	**11,035,307**	10,972,859
Women's hospital	**7,026,441**	7,026,441
Children's pavilion	**3,192,985**	3,192,985
School of Nursing and residence	**2,922,455**	2,910,795
Food services pavilion	**1,303,588**	1,303,588
Leasehold improvements	**272,880**	272,880
Greenhouses	**3,986**	3,986
	37,410,125	37,336,017
Parking lot surfacing and other ground improvements	**507,915**	507,915
Major equipment	**25,165,598**	21,709,688
Minor equipment	**352,518**	352,518
Construction in progress	**61,353**	61,133
Total buildings, land improvements and equipment	**63,497,509**	59,967,271
Deduct accumulated depreciation and amortization	**19,548,088**	17,735,567
Net buildings, land improvements and equipment	**$43,949,421**	$42,231,704

5. DEBENTURES PAYABLE

The Hospital obtained debenture debt financing from the Alberta Municipal Financing Corporation during 1982 in the amount of $4,000,000 for financing the parkade, incinerator, and ancillary facility.

The debt bears interest at 14¼% per annum but is eligible for the Province of Alberta interest rebate subsidy which will bring the effective rate down to as low as 11%. This rebate subsidy will decrease annually. Annual payments to May 1, 2001 will be made from the Endowment and Special Purpose Fund. The next five annual instalments net of the interest rebate subsidy are:

May 1, 1984	$485,639
May 1, 1985	487,449
May 1, 1986	489,517
May 1, 1987	491,880
May 1, 1988	494,579

The debenture related to Anderson Hall is payable to Central Mortgage and Housing Corporation in semi-annual instalments of $34,874 (including interest at 6⅞% per annum) to June 1, 2020.

6. CONSTRUCTION ACCOUNT

The Department of Hospitals and Medical Care had advanced the Hospital funds for construction. During fiscal 1984, the Department of Hospitals and Medical Care was refunded the remaining bank balance.

7. COMMITMENTS

Future minimum lease payments under operating leases relating primarily to computer and office equipment are as follows over the next 5 years:

1985	$370,128
1986	268,328
1987	219,213
1988	98,915
1989	—

8. COMPARATIVE FIGURES

Certain 1983 comparative figures have been reclassified to conform with the presentation adopted in 1984.

AUDITORS' REPORT

To the Board of Trustees of
The Edmonton School District No. 7

We have examined the balance sheet of The Edmonton School District No. 7 as at December 31, 1984 and the operating fund statement of revenue, expenditures and deficit and the capital and loan fund statements of capital invested in fixed assets and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Edmonton School District No. 7 as at December 31, 1984 and the results of its operations and the changes in its capital and loan fund for the year then ended in accordance with the disclosed basis for accounting described in Note 1 (a), applied on a basis consistent with that of the preceding year.

Edmonton, Alberta
February 22, 1985

Thorne Riddell
Chartered Accountants

BALANCE SHEET

As at December 31, 1984
(thousands of dollars)

	1984	1983
ASSETS		
OPERATING FUND		
CURRENT ASSETS		
Accounts receivable		
Government of Alberta	$ 6,479	$ 9,379
Other	2,109	2,903
Inventory of supplies	1,344	1,151
Due from capital and loan fund	10,208	3,273
Prepaid expenses		271
	20 140	16,977
TRUST ASSETS		
Cash, bonds and investment certificates	99	88
Total Operating Fund	20,239	17,065
CAPITAL AND LOAN FUND		
FIXED ASSETS		
Land and improvements	9,053	8,916
Buildings, furniture and equipment	312,058	291,228
Total Capital and Loan Fund	321,111	300,144
	$341,350	$317,209

BALANCE SHEET

As at December 31, 1984
(thousands of dollars)

	1984	1983
LIABILITIES		
OPERATING FUND		
CURRENT LIABILITIES		
Bank indebtedness	$ 18,261	$ 13,771
Accounts payable and accrued liabilities	8,947	9,254
Purchase commitments	2,193	1,724
Deferred revenue	899	491
	30,300	25,240
DEFICIT	10,160	8,263
	20,140	16,977
TRUST LIABILITIES		
Scholarships and donations	99	88
Total Operating Fund	20,239	17,065
CAPITAL AND LOAN FUND		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	1,465	6,655
Due to operating fund	10,208	3,273
	11,673	9,928
LONG TERM DEBT (note 2)		
Capital loan	1,564	2,079
Debenture debt	131,018	125,913
	132,582	127,992
CAPITAL		
Reserve for future capital expenditures		875
Capital invested in fixed assets	176,856	161,349
	176,856	162,224
Total Capital and Loan Fund	321,111	300,144
	$341,350	$317,209

OPERATING FUND STATEMENT OF REVENUE, EXPENDITURES AND DEFICIT

Year Ended December 31, 1984
(thousands of dollars)

	1984	1983
REVENUE		
School foundation program fund	**$137,086**	$132,636
Provincial grants	**32,446**	34,063
Supplementary requisitions	**96,278**	94,950
Other	**10,336**	9,234
	276,146	270,883
EXPENDITURES		
Salaries and employee benefits	**210,799**	207,403
Debt service, including bank interest	**28,360**	22,472
Utility services	**9,544**	9,657
Transportation services	**7,537**	7,500
Other services	**7,977**	7,360
Supplies and materials	**11,159**	10,967
Furniture and equipment	**4,428**	3,658
	279,804	269,017
OPERATING SURPLUS (DEFICIT)	**(3,658)**	1,866
EXTRAORDINARY ITEM (note 3)	**1,761**	
SURPLUS (DEFICIT) FOR THE YEAR	**(1,897)**	1,866
DEFICIT AT BEGINNING OF YEAR	**8,263**	10,129
DEFICIT AT END OF YEAR	**$ 10,160**	$ 8,263

CAPITAL AND LOAN FUND STATEMENT OF CAPITAL INVESTED IN FIXED ASSETS

Year Ended December 31, 1984
(thousands of dollars)

	1984	1983
CAPITAL INVESTED DURING THE YEAR		
From operating funds for		
Furniture and equipment	**$ 4,428**	$ 3,658
Repayment of debentures	**9,566**	7,909
Repayment of capital loans	**638**	609
Transfer from reserve for future capital expenditures	**875**	
	15,507	12,176
BALANCE AT BEGINNING OF YEAR	**161,349**	149,173
BALANCE AT END OF YEAR	**$176,856**	$161,349

CAPITAL AND LOAN FUND STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31, 1984
(thousands of dollars)

	1984	1983
Funds derived from		
Issue of debentures	$14,671	$34,894
Capital loans	123	147
Increase in capital invested in fixed assets	15,507	12,176
	30,301	47,217
Funds applied to		
Cost of additions to		
Land and improvements	94	1,788
Buildings	12,756	39,877
Equipment	8,117	5,162
Vehicles		89
Repayment of debentures	9,566	7,909
Repayment of capital loans	638	609
Reduction of reserve for future capital expenditures	875	
	32,046	55,434
INCREASE IN FUNDS PAYABLE	1,745	8,217
FUNDS PAYABLE AT BEGINNING OF YEAR	9,928	1,711
FUNDS PAYABLE AT END OF YEAR	$11,673	$ 9,928
Represented by		
Due to operating fund	$10,208	$ 3,273
Accounts payable and accrued liabilities	1,465	6,655
	$11,673	$ 9,928

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 1984

1. ACCOUNTING POLICIES

(a) **Basis of accounting**

Revenue, including grants from the Alberta government, and expenditures are recorded on the accrual basis except as follows:

(i) Salaries are recorded when paid.

(ii) Operating fund purchase commitments are recorded in the year in which the goods or services are ordered.

(iii) Principal and interest on debenture debt and capital loans are recorded when paid.

(iv) Local improvement charges on new school sites are recorded when billed by the City of Edmonton.

(b) **Inventory of supplies**

Inventory of supplies is valued at average cost.

(c) **Fixed assets**

Fixed assets, including buildings, building additions, major capital improvements and furniture and equipment, are recorded at cost in the capital and loan fund.

Operating fund expenditures made during the year for replacements of, or additions to furniture and equipment are recorded as contributions to the capital and loan fund. In the capital and loan fund these items are recorded as fixed assets and as an increase to capital invested in fixed assets.

Depreciation of fixed assets is not recorded in these financial statements.

2. LONG TERM DEBT

Payments for the next five years on capital loan and debenture debt outstanding at December 31, 1984 are approximately as follows:

	Principal	**Interest**
1985	$10,646,000	$17,035,000
1986	10,457,000	15,831,000
1987	9,620,000	14,639,000
1988	8,939 000	13,517,000
1989	8,181,000	12,441,000

3. EXTRAORDINARY ITEM

Prior to the employees of the Board adopting the Local Authorities Pension Plan in 1967, the employees participated in the City of Edmonton pension fund. At the time of transfer of the pension fund to the Local Authorities Pension Plan all of the funds in the City pension fund were not required by the Local Authorities Pension Plan.

During the year the matter was resolved and the Board received $1,761,000 being its share of the excess contribution, including interest. This amount is reflected in these financial statements as an extraordinary item.

4. CAPITAL CONSTRUCTION

At December 31, 1984, the commitment for the uncompleted portion of the construction program amounted to $1,958,000 (1983 — $7,827,000). Substantially all of the construction program is to be financed through debenture borrowings which have been approved by the Local Authorities Board.

5. SCHOOL FUNDS

Individual schools offer various services and activities involving the receipt of monies which have not been included in the School District's accounting records. These services and activities include student unions, yearbooks, instructional materials, textbook rentals, field trips and fund-raising projects of various types. Based on reports submitted by each school for the most recent school year, it is estimated that the monies received from these services and activities approximated $6,467,000 and cash balances on hand or in bank accounts approximated $1,640,000 as at August 31, 1984.

These financial statements do not include any amounts related to the above funds.

6. COMPARATIVE FIGURES

Certain 1983 comparative figures have been reclassified in order to conform with the financial statement presentation adopted for 1984.

AUDITORS' REPORT

To the Board of Trustees

We have examined the Capital and Loan Fund and Operating Fund balance sheet of The Edmonton R.C. Separate School District No. 7 as at December 31, 1984 and the statements of capital reserves and equity, revenue and expenditures and operating deficit and changes in Capital and Loan Fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the District as at December 31, 1984 and the results of its operations and the changes in its capital and loan fund for the year then ended, in accordance with accounting principles, as described in Note 1, applied on a basis consistent with that of the preceding year.

Further, in our opinion, Schedules 1 to 4, when considered in relation to the aforementioned financial statements, present fairly the supplemental information shown.

Edmonton, Alberta
February 25, 1985

Coopers & Lybrand
Chartered Accountants

BALANCE SHEET

December 31, 1984
(in thousands of dollars)

	1984	1983
ASSETS		
CAPITAL AND LOAN FUND:		
Receivable from Operating Fund	$	$ 2,160
Fixed Assets		
Land and servicing costs	4,868	4,466
Buildings	104,639	98,697
Furniture and equipment	17,045	14,894
	126,552	118,057
	$126,552	$120,217
OPERATING FUND:		
Investment in short term deposit	$	$ 5,500
Cash in trust	367	119
Receivable from Capital Fund	551	
Accounts receivable		
Province of Alberta	1,692	1,116
Other	268	405
Inventories	726	745
Prepaid expenses	636	338
	$ 4,240	$ 8,223

BALANCE SHEET

December 31, 1984
(in thousands of dollars)

	1984	1983
LIABILITIES		
CAPITAL AND LOAN FUND:		
Payable to Operating Fund	$ 551	$
Construction holdbacks	71	1,019
Short-term capital loans — Note 2	600	545
Debenture debt — Note 3	54,842	52,801
Capital reserves and equity	70,488	65,852
Commitments — Note 4		
	$126,552	$120,217
OPERATING FUND:		
Bank indebtedness		
Outstanding cheques, less related bank balances	$ 404	$ 722
Bank loan	275	1,200
Accounts payable and accrued charges	4,166	4,446
Outstanding purchase commitments	242	511
Unexpended decentralized budgets	270	306
Pupils' fees paid in advance	102	82
Unexpended government grants — Note 4	349	
Trust liabilities	367	119
Payable to capital fund		2,160
Surplus on termination of non-teachers' retirement allowance fund — Note 5		96
Operating deficit	(1,935)	(1,419)
	$ 4,240	$ 8,223

STATEMENT OF CAPITAL RESERVES AND EQUITY

For the Year Ended December 31, 1984
(in thousands of dollars)

	1984	1983
BALANCE AT BEGINNING OF THE YEAR	**$65,852**	$60,766
Contributions from operating fund	**893**	1,800
Debentures redeemed	**3,547**	3,143
Short-term capital loans paid	**149**	77
Sales tax rebate — construction	**47**	66
BALANCE AT END OF THE YEAR	**$70,488**	$65,852
BALANCE REPRESENTED BY		
Equity in capital assets	**$70,488**	$65,427
Reserve — equipment		425
	$70,488	$65,852

STATEMENT OF REVENUE AND EXPENDITURES AND OPERATING DEFICIT

For the Year Ended December 31, 1984
(in thousands of dollars)

	1984	1983
REVENUE — Schedule 1		
Provincial foundation plan	$ 57,646	$ 56,959
Other provincial grants	9,334	9,184
Supplementary requisition	33,675	32,811
Federal government	857	1,196
Other revenue	3,528	3,307
TOTAL REVENUE	105,040	103,457
EXPENDITURES — Schedules 2 and 3		
Salaries	73,646	73,614
Employee benefits	5,517	4,751
Services purchased and contracted	11,946	11,161
Supplies and materials	3,272	3,088
Contributions to capital fund	893	1,800
Debt services	10,336	8,914
Transfers	42	98
TOTAL EXPENDITURES	105,652	103,426
EXCESS OF EXPENDITURES OVER REVENUE FOR THE YEAR	612	(31)
TRANSFER FROM SURPLUS ON TERMINATION OF NON-TEACHERS' RETIREMENT FUND — Note 5	(96)	
OPERATING DEFICIT AT BEGINNING OF THE YEAR	1,419	1,450
OPERATING DEFICIT AT END OF THE YEAR	$ 1,935	$ 1,419

STATEMENT OF CHANGES IN CAPITAL AND LOAN FUND

For the Year Ended December 31, 1984
(in thousands of dollars)

	1984	1983
FUNDS PROVIDED:		
Debenture issues	$ 5,588	$ 8,313
Long-term capital loans	204	357
Contributions from operating fund		
Fixed assets	893	1,800
Debenture redemption	3,547	3,143
Short-term capital loan	149	77
Sales tax rebates	47	66
	10,428	13,756
FUNDS APPLIED:		
Purchases of		
Land and servicing costs	402	1,423
Buildings	5,942	8,768
Furniture and equipment	2,151	1,142
Debentures redeemed	3,547	3,143
Short-term capital loans paid	149	77
	12,191	14,553
DECREASE IN FUNDS DURING THE YEAR	1,763	(797)
UNEXPENDED FUNDS AT BEGINNING OF THE YEAR	(1,141)	1,938
DEFICIT AT END OF THE YEAR	$ 622	$ (1,141)
DEFICIT REPRESENTED BY:		
Receivable from operating fund	$ 551	$ 2,160
Construction holdbacks and accounts payable	71	(1,019)
	$ 622	$ 1,141

SCHEDULE OF OPERATING REVENUE BY SOURCE

For the Year Ended December 31, 1984
(in thousands of dollars)

SCHEDULE 1

	1984	1983
PROVINCE OF ALBERTA		
Provincial Foundation Plan		
Per pupil grants	**$ 46,442**	$ 45,564
Transportation of pupils	**2,181**	2,102
Administration	**240**	1,477
Debt retirement	**8,237**	7,636
Building quality restoration program	**321**	180
Approved capital loans	**225**	
	57,646	56,959
Other Provincial Grants		
Teachers and special classes	**2,836**	2,250
Special program unit	**311**	572
Vocational pupils C.E.U.'s	**776**	722
Extension program	**152**	129
Reading materials		46
Private schools and handicapped	**267**	447
Learning disabilities fund	**189**	306
Educational opportunity fund	**999**	1,251
Early childhood services	**2,478**	2,261
Department of National Defence	**65**	59
Contribution for Canada Pension Plan	**77**	297
Wards of the province	**41**	43
Supplementary requisition equalization	**129**	161
Ukrainian language	**65**	50
Other	**336**	34
Official language (French)	**319**	267
Community schools	**294**	289
	9,334	9,184
SUPPLEMENTARY REQUISITION	**33,675**	32,811
FEDERAL GOVERNMENT		
Tuition fees	**240**	244
French grants	**405**	477
Continuing education	**212**	475
	857	1,196
OTHER REVENUE		
Tuition fees and transportation	**1,589**	1,243
Textbook rentals	**501**	505
Rental fees	**1,110**	909
Investment income	**184**	217
Sundry	**144**	433
	3,528	3,307
	$105,040	$103,457

SCHEDULE OF OPERATING EXPENDITURES BY FUNCTION

For the Year Ended December 31, 1984
(in thousands of dollars)

Function Description	Salaries	Employee Benefits
Elementary instruction	$ 26,520	$ 1,570
Junior high instruction	12,761	797
Senior high instruction	15,404	1,061
Special education	5,166	307
Early childhood services	2,135	150
Community services	1,036	61
Administration	3,179	633
Operation/maintenance	7,445	938
Transportation		
Debt services		
1984	**$ 73,646**	**$ 5,517**
	69.71%	**5.22%**
1983	$ 73,614	$ 4,751
	71.18%	4.59%

SCHEDULE 2

Services Purchased	Supplies/ Materials	Capital Outlay	Debt Services	Transfers	1984		1983	
					Total	%	Total	%
$ 145	$ 1,011	$ 333	$	$	$ 29,579	28.00	$ 29,620	28.66
56	626	122			14,362	13.59	14,265	13.80
155	794	214			17,628	16.69	17,138	16.58
545	44	15			6,077	5.75	6,202	6.00
23	45	24			2,377	2.25	2,375	2.30
36	29	38			1,200	1.14	1,083	1.05
1,198	352	101		42	5,505	5.21	5,153	4.97
5,879	371	46			14,679	13.89	14,993	14.49
3,909					3,909	3.70	3,683	3.53
			10,336		10,336	9.78	8,914	8.62
$ 11,946	**$ 3,272**	**$ 893**	**$ 10,336**	**$ 42**	**$105,652**		$103,426	
11.31%	**3.10%**	**0.84%**	**9.78%**	**0.04%**		**100.00%**		**100.00%**
$ 11,161	$ 3,088	$ 1,800	$ 8,914	$ 98	**$103,426**			
10.79%	2.98%	1.74%	8.62%	0.10%		**100.00%**		

SCHEDULE OF OPERATING EXPENDITURES BY OBJECT

For the Year Ended December 31, 1984
(in thousands of dollars)

SCHEDULE 3

OBJECT DESCRIPTION	1984	1983
Salaries		
Teaching regular	**$ 56,739**	$ 57,115
Teaching temporary	**888**	978
Non-teaching regular	**15,384**	14,985
Non-teaching temporary	**572**	487
Trustees' remuneration	**63**	49
Total Salaries	**73,646**	73,614
Employee Benefits and Allowances		
Distributed benefits	**5,001**	4,276
Advanced study and bursaries	**497**	462
In-service training	**19**	13
Total Employee Benefits and Allowances	**5,517**	4,751
Services Purchased and Contracted		
Professional and technical	**602**	548
Postage and telegraph	**39**	39
Public utility service	**3,649**	3,500
Travel and subsistence	**286**	272
Transportation of pupils	**3,886**	3,609
Maintenance and repair	**2,049**	1,697
Rental	**352**	374
Taxes	**42**	54
Tuition	**537**	591
Dues and fees	**193**	154
Printing	**76**	93
Insurance and bond premiums	**194**	185
Advertising	**41**	45
Total Services Purchased and Contracted	**11,946**	11,161
Supplies and Materials		
Supplies	**1,961**	1,904
Textbooks	**948**	806
Media materials	**346**	374
Warehouse inventory adjustment	**17**	4
Total Supplies and Materials	**3,272**	3,088
Contributions to Capital Fund		
Land		70
Buildings		266
Equipment and furniture	**873**	1,023
Vehicles	**20**	16
Fixed asset reserve		425
Total Contributions to Capital Fund	**893**	1,800
Debt Services		
Debenture debt principal	**3,547**	3,142
Debenture debt interest	**6,200**	5,454
Short-term capital loan principal	**149**	77
Short-term capital loan interest	**75**	47
Bank interest and charges	**365**	194
Total Debt Services	**10,336**	8,914
Transfers	**42**	98
	$105,652	$103,426

SCHEDULE OF PER PUPIL COSTS

For the Year Ended December 31, 1984

SCHEDULE 4

	1984 (in thousands of dollars)	Per Pupil (Based on Average Enrolment)	1983 (in thousands of dollars)	Per Pupil (Based on Average Enrolment)
Instructional Expenses				
Teachers' salaries, pupil and classroom supplies and textbooks	$ 63,946	$2,489.92	$ 63,398	$2,415.16
Special Education				
Teachers' salaries, pupil and classroom supplies and textbooks	6,077	236.63	6,202	236.25
Administration				
Salaries, stationery, supplies	5,505	214.34	5,153	196.32
Operation and Maintenance				
Salaries, utilities, maintenance	14,679	571.58	14,993	571.15
Transportation of Pupils	3,909	152.21	3,683	140.32
Debt Services				
Debenture interest, redemption and bank charges	10,336	402.45	8,914	339.59
	104,452	$4,067.13	102,343	$3,898.79
Community Services	1,200		1,083	
		$105,652		$103,426

	1984	1983
Average Enrolment		
Kindergarten	975	924
Elementary	11,625	11,996
Junior high	5,709	5,957
Senior high	6,140	6,178
Special education	1,233	1,195
Average enrolment	25,682	26,250

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 1984

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the following accounting policies which are consistent with the accounting principles used by the Alberta Department of Education for Alberta School Districts.

(a) **Fixed Assets**
Fixed assets are recorded at cost and no provision for depreciation has been made in these financial statements.

(b) **Purchase Commitments and Unexpended Decentralized Budgets**
The District follows the policy of recording operating fund purchase commitments and unexpended decentralized budgets as expenditures in the year the funds are committed or budgeted rather than in the year the goods and services are received and the actual liability incurred.

(c) **Inventories**
Inventories are valued at average cost.

(d) **Revenue Recognition**
Revenue is recorded using the accrual basis of accounting.

(e) **Interest on Debentures**
Interest on debenture debt is recorded as an expenditure when paid. No provision for accrued interest payable on debenture debt has been recorded in the accounts as payment of this interest is funded through the Provincial Foundation Plan.

(f) **Prepaid Expenses**
Expenditures incurred under programs which are partially funded by the provincial government are recorded as operating expenditures in the period in which the related funding is received. Expenditures incurred in advance, including the unfunded portion, are recorded as prepaid expenses and matched with revenue when the funding is received.

2. SHORT-TERM CAPITAL LOANS

The loans are repayable as follows:

1985	$167,407
1986	167,407
1987	112,278
1988	112,278
1989	40,813
	$600,183

Under the terms of the Building Quality Restoration Program, the repayment of loans and interest thereon is funded by the provincial government.

NOTES TO FINANCIAL STATEMENTS — continued

Year Ended December 31, 1984

3. DEBENTURE DEBT

Principal and interest payments on debenture debt are due as follows:

	Principal	Interest
1985	$ 3,738,331	$ 6,564,379
1986	3,719,931	6,163,645
1987	3,676,731	5,763,969
1988	3,598,251	5,366,778
1989	3,488,351	4,974,098
1990 to maturity	36,619,852	33,123,584
	$54,841,447	$61,956,453

Repayment of debentures and interest thereon is funded by the Provincial Foundation Plan.

4. COMMITMENTS

The District is committed to expenditures of $698,388 for the purchase of computer equipment under the provincial government program for Senior High School Business Education Equipment Upgrading. These expenditures are funded on a 50/50 cost-sharing basis between the District and the Government of Alberta. During the year, the District received $349,194 for the government's share of expenditures that were not made prior to year-end.

5. NON-TEACHERS' RETIREMENT ALLOWANCE FUND

Effective July 1, 1971, the members of the non-teachers' retirement allowance fund transferred to the Local Authorities Pension Plan of the Province of Alberta. Payments totalling $302,901 were made to the administrators of the Local Authorities Pension Plan in full settlement of the present employees' current and past service contributions. The balance remaining in the fund of $96,424 represented contributions of former employees and excess earnings. During the year, the Board approved the transfer of this surplus to the operating deficit.

AUDITORS' REPORT

To the Chairman and Members of
The Edmonton Local Board of Health

We have examined the balance sheet of the Edmonton Local Board of Health as at March 31, 1984 and the statements of revenue and expenditures and retained surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at March 31, 1984 and the results of its operations for the year then ended in accordance with the accounting principles set out in note 2 to the financial statements applied, after giving retroactive effect to the change in the basis of recording fixed assets as described in note 3 to the financial statements, on a basis consistent with that of the preceeding year.

The budget figures for 1984, presented for comparative purposes in the statement of revenue and expenditures, are unaudited.

Edmonton, Canada
June 7, 1984

Peat, Marwick, Mitchell & Co.
Chartered Accountants

BALANCE SHEET

March 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983 (Restated)
ASSETS		
Current assets:		
Cash	**$ 1**	$
Due from The City of Edmonton	**529**	1,356
Prepaid expenses	**56**	
Total current assets	**586**	1356
Fixed assets (note 5):		
Land	**109**	109
Building	**832**	832
Furniture and equipment	**485**	378
Total fixed assets	**1,426**	1,319
	$2,012	$2,675
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	**$**	$ 423
Accrued salaries		359
Holdback payable		9
Unexpended special projects funds (note 6)	**66**	342
Total current liabilities	**66**	1,133
Equity:		
Investment in fixed assets (note 5)	**1,426**	1,319
Retained surplus (note 7)	**520**	223
Total equity	**1,946**	1,542
Commitments (note 10)		
	$2,012	$2,675

See accompanying notes to financial statements.

STATEMENT OF REVENUE AND EXPENDITURES

Year Ended March 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984		1983
	Actual	Budget (note 11)	Actual (Restated)
Revenue:			
Operating grant from the Province of Alberta	$15,619	$15,619	$14,951
Other grants from the Province of Alberta (note 8)	1,901	1,605	1,491
Grants from other levels of government	7		
Interest income	282	250	475
Other revenue (note 9)	177	75	160
Total revenue	17,986	17,549	17,077
Expenditures:			
Salaries and fringe benefits	11,088	11,447	10,691
Supplies and services	6,515	6,024	5,970
Purchase of fixed assets	107	78	193
Total expenditure	17,710	17,549	16,854
Excess of revenue over expenditures, transferred to authorized retention	$ 276	$	$ 223

See accompanying notes to financial statements.

STATEMENT OF RETAINED SURPLUS

Year Ended March 31, 1984 (with comparative figures for 1983)
(in thousands of dollars)

	1984	1983 (Restated)
Authorized Retention (note 7):		
Balance at beginning of year as restated (note 4)	$	$
Excess of revenue over expenditures	276	223
Transfer from (to) reserve for discretionary fund	244	(223)
Balance, end of year	520	
Reserve for discretionary fund:		
Balance, beginning of year	223	
Interest income	21	
Transfer (to) from authorized retention	(244)	223
Balance, end of year		223
Total retained surplus, end of year	$ 520	$ 223

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 1984

1. GENERAL:

The Edmonton Local Board of Health is responsible for the planning, delivery and evaluation of local public health services in Edmonton and draws its authority primarily from the Public Health Act and the Health Unit Act. The health services are administered using funds granted by the Department of Social Services and Community Health of the Province of Alberta ("the Department").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared in accordance with generally accepted accounting principles, except where otherwise noted, and reflect the following policies:

a) Assets, liabilities and revenue and expenditures are recorded on the accrual basis.

b) Fixed assets are recorded at cost, and in accordance with the following fund accounting principles:

 i) fixed assets additions and replacements are recorded as expenditures in the year of acquisition;

 ii) those fixed asset additions having a cost of $500 or greater and a useful life of more than one year are capitalized and shown in the balance sheet at original cost, with the corresponding credit to Investment in Fixed Assets. No depreciation is recorded in the financial statements; and

 iii) proceeds from disposals of fixed assets and government grants for the acquisition of fixed assets are recorded as revenue in the statement of revenue and expenditures.

c) Interest earned on the reserve for discretionary fund has been recorded within the fund.

d) Payroll:
Vacation pay is recorded in the books of account when disbursed.

3. CHANGE IN ACCOUNTING POLICY:

The March 31, 1983 financial statements were prepared on the basis that (a) furniture and equipment was written off to expenditure in the year of purchase and (b) the cost of the building was depreciated on the straight line basis at 4% per annum. In the March 31, 1984 financial statements, the 1983 comparative figures have been retroactively adjusted to reflect the change to the accounting policy described in note 2(b) above.

The effects of this change on total fixed assets and surplus invested in fixed assets at March 31, 1983 are as follows:

Balances as previously stated	$ 841,063
Elimination of depreciation charged on building (including $33,280 charged in 1983)	99,838
Capitalization of furniture and equipment (including $168,851 in 1983)	377,994
Balances as restated	$1,318,895

March 31, 1984

4. CHANGE IN PRIOR PERIOD PRESENTATION:

The Board has been notified by the Department that certain unexpended grants and other revenues, previously treated as surplus accounts in the financial statements, are to be considered as deferred revenues. The effects of this change on the previously reported 1983 and 1982 figures are as follows:

a) On reported surplus:

	Authorized Retention	Reserve for Future Building Expenditures	Reserve for Future Home Care Computerization	Total Unexpended Project Funds End of Year
March 31, 1983:				
Balance, end of year as previously reported	$ 258,505	$ 58,251	$ 25,000	$
Unexpended special projects funds deferred to subsequent year (including $7,302 interest income previously credited direct to reserve for future building expenditures)	(258,505)	(58,251)	(25,000)	341,756
Balance, end of year as restated	$	$	$	
March 31, 1982:				
Balance, end of year as previously reported	$1,272,627	$ 50,949	$	$
Unexpended special projects funds deferred to subsequent year		(50,949)		50,949
Excess operating grant repayable to the Province of Alberta	(1,272,627)			
Balance, end of year as restated	$	$	$	

b) On revenues and excess of revenues over expenditures for the year ended March 31, 1983:

	Revenues	Excess (Deficit) of Revenues over Expenditures
Totals as previously stated	$16,088,236	$ (765,999)
Unexpended special projects funds deferred from previous year	50,949	50,949
Refund of excess grants received in year, previously deducted in 1983	1,272,627	1,272,627
Unexpended special projects funds deferred to subsequent year	(334,454)	(334,454)
Total as restated	$17,077,358	$ 223,123

5. FIXED ASSETS:

	March 31, 1983 (Restated)	Additions	March 31, 1984
Land	$ 108,900	$	$ 108,900
Building	832,001		832,001
Furniture and equipment	377,994	106,998	484,992
	$1,318,895	$ 106,998	$1,425,893

NOTES TO FINANCIAL STATEMENTS — continued

March 31, 1984

6. UNEXPENDED SPECIAL PROJECTS FUNDS:

Grant revenue is deferred at the specific authority of the Department when the specific related expenditure for which funding was granted will be incurred in a future period. The unexpended special projects funds represent funding received for special, non-recurring projects which are continuing into the next fiscal year, as follows:

	Balance April 1, 1983 (Restated)	Grants Received	Grants Expended	Unexpended Funds Credited to Revenue	Funds Carried Forward at March 31, 1984
Renovation of Jasper Place Clinic	$	$ 55,000	$	$	$ 55,000
Sour Gas Study		13,000	1,600		11,400
Future building expenditures	58,251			58,251	
Future Home Care computerization	25,000		25,000		
Renovation of CN Tower and West Jasper Place Clinic	258,505		258,505		
	$341,756	$ 68,000	$285,105	$ 58,251	$ 66,400

7. AUTHORIZED RETENTION:

Edmonton Local Board of Health has received authorization from the Department for the retention of:

a) the excess of revenue over expenditures for the year ended March 31, 1984 and subsequent years; and

b) the reserve for discretionary fund previously representing one and one-half percent of the 1983 operating grant from the Province of Alberta calculated in accordance with instructions from the Province, plus accumulated interest earned on the fund;

to a maximum of the greater of $250,000 and 10% of the 1983 operating grant from the Province of Alberta.

8. OTHER GRANTS FROM THE PROVINCE OF ALBERTA:

	1984	1983
Accommodation and capital	$1,605,041	$1,725,258
Sour Gas Study	13,000	
Public health inspection students	8,000	
Home Care computerization		49,634
Grants from earlier years, brought forward:		
Expended in year	283,505	
Unexpended, credited to revenue	58,251	58,251
Unexpended grants, carried forward (note 6)	(66,400)	(341,756)
	$1,901,397	$1,491,387

9. OTHER REVENUE:

	1984	1983
Patient revenue	$ 40,882	$ 43,039
Nursing revenue	49,973	37,300
Family planning revenue	12,012	
Mental health revenue	5,299	11,974
Speech revenue	14,330	
Employment programs	17,170	
Sale of fixed assets	1,588	
Miscellaneous	35,494	1,633
Agency refunds		55,868
Sour gas study		10,000
	$176,748	$159,814

NOTES TO FINANCIAL STATEMENTS — continued

March 31, 1984

10. COMMITMENTS:

i) Outstanding contractual obligations relating to improvements to Jasper Place Clinic amounted to $35,818 at March 31, 1984.

ii) The Edmonton Local Board of Health is committed to the following annual minimum lease payments for rental of buildings:

	Minimum Annual Lease Payment
Avord Arms Health Clinic 5 year term to December 31, 1986	$ 38,152
Abbotsfield Clinic 3 year term to June 30, 1986	6,032
Birth Control Clinic 5 year term to September 30, 1988	15,913
Castle Downs Clinic 5 year term to August 31, 1984	41,215
Clareview Village Centre Clinic 5 year term to November 30, 1986	27,600
Kingsway Home Care Office 5 year term to April 30, 1986 with an option to renew for an additional 5 years	18,795
Harley Court Mental Health Clinic — 10th Floor 5 year term to March 31, 1987	28,539
Harley Court Home Care Office — 3rd Floor 5 year term to August 31, 1986	23,753
Argyll Home Care 4 year term to April 30, 1985	9,413
West Jasper Place Clinic 10 year term to August 31, 1992 with two options to renew for an additional 10 years	128,250
C.N. Tower — 5th Floor 5 year, 6 day term to January 31, 1988	102,480

11. 1984 BUDGET FIGURES:

The unaudited 1984 budget figures presented for comparison purposes are those approved by the Board on June 8, 1983, reclassified to the presentation in these financial statements.

12. 1983 COMPARATIVE FIGURES:

Certain of the 1983 comparative figures have been reclassified to conform with the current year's presentation.